

## NEWS SUMMARY

### GENERAL

#### Millions join Solidarity strike

Millions of Polish workers went on strike for an hour at noon yesterday in defiance of the country's Communist rulers. The independent trade union Solidarity said an estimated 9m of its members took part in the nationwide stoppage.

A group of British workers installing computer equipment in a machine tool factory in Poznan, southern Poland, joined the strike. "Strike has been declared," Page 2

#### Forced landing

Syrian fighter planes forced a crowded Air France Boeing 747 at Damascus airport because it was on an unauthorised flight path, the news agency Sana reported.

#### Heroin haul

Heroin worth £250,000 at street value was seized by police in a street raid in Forest Gate, East London.

#### Salim eliminated

The UN Security Council remained deadlocked in efforts to choose a secretary general after incumbent Kurt Waldheim was vetoed and challenger Salim A. Salim failed to obtain the required number of votes.

#### Soviet sub protest

Sweden protested to Moscow after a Soviet submarine ran aground in restricted waters near its Baltic naval base at Karlskrona. Page 2

#### Poison gas report

Workers at a North Wales textile factory died from heart failure because they had been exposed to a poison gas, a union report says. Page 2

#### Stets acquitted

Asst. Astles, former aide of Ugandan dictator Idi Amin, was acquitted of murder in a Kampala court but went back to prison under state detention.

#### GLC in court

The Greater London Council treated ratepayers as a bottomless well of funds to pay for transport fares cuts, counsel for the Tory Borough of Bromley said in the High Court. Page 7

#### Spot checks

Police started an intensive stop and search operation code-named Operation Santa in London's West End in an effort to prevent further IRA bomb attacks.

#### Benn keeps post

Tony Benn will retain his position as chairman of Labour's Home Policy Committee with the active support of Labour leader Michael Foot. Back Page

#### Belgium reacts

Belgium stepped into the controversy over France's nationalisation plans as authorities tightened their hold on French companies listed for state control. Back Page

#### On tap

A plumber and a disco dancer were given suspended bank sentences to help them start their own businesses. They were the first to be selected under a scheme launched by Tory MP Dr Brian Mahoney.

#### Briefly...

Australia refused refugee status to a Romanian soccer player who left his team during a tour.

Andrew Young, former U.S. Ambassador to the UN, was elected mayor of Atlanta.

The UK will build a research base in Antarctica and replace its highest research vessel.

A 28-year-old policeman will head a drive to cut crime on the Paris Metro.

#### CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

| RISERS               |          | FALLS           |          |
|----------------------|----------|-----------------|----------|
| Excheq. 13p 1982 155 | + 4      | Roper           | 175 + 10 |
| Boosey and Hawkes    | 115 + 10 | Unicel          | 300 + 7  |
| Borthwick (T.)       | 19 + 2   | Ward White      | 51 + 5   |
| Elson                | 127 + 5  | Hampton Areas   | 142 + 12 |
| Globe                | 404 + 12 | Rustenburg Plat | 240 + 15 |
| Hamble Life          | 312 + 6  | Assoc. Dairies  | 158 - 4  |
| Hambray Bank         | 140 + 10 | Gill and Duffus | 148 - 12 |
| Harrisons Crossfield | 787 + 50 | Gomme Bldgs     | 36 - 2   |
| Hawker-Siddeley      | 280 + 6  | Loyd and Nuhn   | 98 - 10  |
| Henderson (P. G.)    | 132 + 17 | Runciman (W.)   | 240 - 60 |
| Hill Sonnet          | 80 + 5   | Atlantic Res.   | 296 - 4  |
| London Prov. Shop    | 415 + 15 | BP              | 296 - 4  |
| Martin (R. P.)       | 320 + 30 | Burnish Oil     | 102 - 4  |
| NatWest Bank         | 358 + 10 | Shell Transport | 384 - 8  |
| Pleschman            | 245 + 10 | Ashton Mining   | 385 - 7  |
| Press (Wm.)          | 73 + 4   | Peko-Wallend    | 345 - 10 |
|                      |          | Western Mining  | 345 - 8  |

### BUSINESS

#### Equities soften; dollar falls

● **BLUE CIRCLE** Industries, Britain's biggest cement manufacturer, plans 1,100 job cuts next year. Page 7

● **COURTAULDS** Pension Fund, the largest shareholder in Grange Trust, launched a £16m bid for the whole investment trust. Page 23

● **ECONOMIC ACTIVITY** in the North-West declined at a slower rate for the third quarter running, said Manchester Chamber of Commerce and Industry. Page 8

● **BRITISH PETROLEUM** and Royal Dutch/Shell cancelled a £80m liquefied petroleum gas terminal project at Rotterdam. Back Page

● **OPEC** members are optimistic that a basic oil reference price of \$34 a barrel will be agreed at their Geneva meeting. Back Page

● **EQUITIES** were depressed by the problems at BL. The FT 30-share index, up 5.2 at 11 am, closed up 1.7 at 466.7. Page 36

● **GILTS** ended with rises to 1 after showing gains to 1. The FT Government Securities index closed 0.16 higher at 60.62. Page 36

● **GEORGE OLIVER** (Footwear) takeover bid was accepted by Hiltens Footwear. Page 25

● **GILL & DUFFUS** Group, the international commodity broker, is downgrading its 1981 pre-tax profit forecast by £4m to £11m after the discovery of large losses at its commodity futures-broking subsidiary in Hong Kong. Back Page

● **DOLLAR** fell on easier Euro-dollar interest rates and nervousness ahead of the U.S. September trade figures. It was DM 2.2890 (DM 2.3050), FF 5.7485 (FF 5.7825), SwFr 1.8860 (SwFr 1.9075) and Y235.90 (Y234.75). Page 28

● **STERLING** closed 1.55 cents up at \$1.8255 and rose to FF 14.0950 (FF 14.0650) and Y426.75 (Y425). It was unchanged at DM 4.1750 and fell to SwFr 3.4325 (SwFr 3.4525). Its trade-weighted index was 82.2 (82.3). Page 28

● **GOLD** rose \$3 in London to \$431. Page 28

● **P. C. HENDERSON**, manufacturer of sliding door gear and garage and industrial doors, raised pre-tax profits 15 per cent to £1.1m (1980 £0.9m) for the half year to August 29. Page 26

● **BOOSEY AND HAWKES**, music publishers and maker of musical instruments, lifted taxable profits from £60,000 to £95,000 in the six months to June. Page 26

● **IMPERIAL CHEMICAL** Industries was forced to reduce fertiliser production after Gas cut off supplies to a further 350 manufacturers because of the Norwegian oil strike. Deadlock in stoppage. Page 2

● **FORD** Motor Company, second biggest car maker in the U.S., showed a net loss of \$304.5m (£183m) in the third quarter compared with a \$585m deficit in the same period last year. The nine-month loss is \$713.8m compared with \$1,233m.

**U.S. TRADE DEFICIT** fell to \$2.5bn (£1.4bn) last month from \$2.8bn in August, the Commerce Department reported. Exports rose 3.2 per cent and imports dropped 9.9 per cent.

We apologise for any errors in this edition which were due to circumstances beyond our control.

Share information service quotations were not subjected to our usual comprehensive late checking yesterday evening. There were gaps too in the Unit Trust price information.

## Last-minute moves to avert strike at BL plants

By Christian Tyler, Labour Editor

SENIOR BL managers will join conciliation talks today designed to avert the threat of a damaging strike by 55,000 car workers from midnight on Sunday.

The Advisory Conciliation and Arbitration Service invited both sides last night to start "exploratory talks." There was little evidence of room for compromise.

Union leaders and the BL unions' 38-man negotiating team went to the London headquarters of ACAS last night to explain why they had rejected the company's wage terms.

Though the company accepted the invitation to talk, it refused to agree yesterday to give ground. As they arrived ACAS shop stewards said the strike looked certain to go ahead so long as Sir Michael Edwards remained chairman of the company.

The BL board met in the morning and repeated its threat to close plants if there was "widespread and financially damaging strike action" from Monday.

As expected it decided not to submit its corporate plan for 1982 to the government for the time being, and not to request payment of the outstanding balance of £540m of a government funding programme.

The company appealed to general secretaries of the major unions to call off the strike "in view of its potentially disastrous effect on BL employees and the nation."

It said there would be no increase in the basic rate in the offer of £3 to £4 a week, equivalent to 3.8 per cent, nor

any addition to the cost of its overall offer.

The unions have claimed a £20-a-week increase. Mass meetings for people, even the most ardent, to change their minds.

BL said the mass meetings were held before the company offered to guarantee a minimum bonus payment of £3.75 a week. "The workforce has not been given a chance to vote on this offer."

There was a suggestion yesterday that BL clerical staff might join the manual workers' strike. Their unions have rejected a similar pay offer, and Mr Roy Grantham, general secretary of the normally moderate Association of Professional, Executive, Clerical and Computer Staffs, said industrial action was needed "to expose the irresponsible attitude of management."

He thought two-day strikes in the next three weeks would have the desired effect. Invitations from ACAS, whose chairman is Mr Pat Lowrey, a former personnel director of BL, came as union leaders, and Mr Len Murray, TUC general secretary, briefed union negotiators on the unsuccessful outcome of their meeting with Sir Michael on Tuesday afternoon.

Last night Sir John Byrd, general secretary of the Amalgamated Union of Engineering Workers, was pessimistic and angry as he left TUC headquarters.

He said that the picture was "black." Sir Michael had given nothing, and the unions were determined to secure an honourable settlement.

If they could not, the strike would begin on Monday. He added: "It's not unknown for people, even the most ardent, to change their minds."

The unions estimate that up to 750,000 workers in companies dependent on BL could lose their jobs if the threat to liquidate strike-hit plants is carried out.

The Prime Minister has unequivocally stated that the Government will not intervene. Sir Michael's tactics are being criticised by MPs of both parties, as well as the unions.

Perhaps the most damaging criticism has come from Sir Richard Dobson, former chairman of BL.

In an article in yesterday's Times, he said: "Do not mistake rigidity for courage; posterity will not thank you if the ship sinks for the lack of a ha'porth of tar."

BL's industrial relations crisis was discussed by the TUC General Council yesterday. It decided not to make a public statement because of the delivery of the issue. Mr Murray refused to comment before his meeting with the union negotiators.

But union leaders are privately furious that Sir Michael has used the threat of closure, and sackings, in a wages dispute.

Some query the legality of liquidating parts of the operation in these circumstances. Feature, Page 22

## Japanese trade surplus at record last month

By Charles Smith, Far East Editor in Tokyo

JAPAN registered its largest trade surplus last month. With exports 14.9 per cent higher than a year ago at \$13,023bn (£7,132bn) and imports up only 2.4 per cent at \$9,767bn, the surplus was about \$150m more than the previous record month of March 1978.

This surplus, combined with a relatively small deficit on invisibles of \$1,055bn, resulted in a current account surplus of \$2.1bn for the month—the highest for three years.

Japan's accumulated current account surplus in the first six months of its 1981 fiscal year stands at \$4,840bn. The Japanese Government's revised estimates for the surplus in the whole of fiscal 1981 is \$7bn. Officials said privately yesterday the figure could reach \$10bn unless emergency measures were taken to promote exports in the last few months of the year.

Japan's embarrassingly strong trading performance can be explained by the impact of an artificially weak yen exchange rate on the price of its exports and on sleek domestic demand, which is holding down imports of raw materials and fuel as well as manufactured goods.

The yen remains weak, primarily because of the impact of high U.S. interest rates on capital flows in and out of Japan.

The September figures are bound to cause additional headaches for Japanese officials, who have been trying to prevent trade tensions with the West from slipping out of control.

A senior Ministry of International Trade and Industry official yesterday said that Japan was under pressure to conduct "trade imbalance talks" with every major country in the "free world" except Australia and members of the Organisation of Petroleum Exporting Countries.

One such series of talks opens today in Tokyo with a team led by Masahiko Baidridge, the U.S. Commerce Secretary.

MITI officials expect to be asked at the talks to come up with an "import plan" committing Japan to raise her overseas purchases to a specified level by a given time limit.

Japan, however, has ruled out as impossible for a country operating within a free trading system.

The Ministry is working on plans to increase imports of rare metals, for stockpiling, and of aircraft, for leasing to foreign airlines, during the remainder of the current fiscal year.

"Consideration" is being given to demands from the EEC for tariff cuts on, for example, whisky, chocolate, confectionery and biscuits.

No estimates are available as yet of the effect that any of these measures might have on the actual level of imports.

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## Interest rates begin to fall

By Our Banking Correspondent

SHORT TERM interest rates in the UK money markets started to move lower yesterday for the first time in nearly a fortnight, easing pressure for an increase in bank base rates in the near future.

The three-month inter-bank rate, one of the key influences on the banks' base rates, fell 1/4 of 1 per cent to 16 1/4. Since base rates were cut by half a percentage point to 15 1/2 per cent on October 15, three-month inter-bank rates have risen one percentage point. There had been fears that any further firming in rates would lead the banks to raise their base rates.

The pressure to increase bank base rates and push up the cost of overdrafts has been contained by the Bank of England, which has continued to supply funds at the short end of the market, keeping the seven-day inter-bank rate below 18 per cent. This rate dictates whether borrowers can obtain funds from the banks and re-lend them at a profit in the money market.

Yesterday the Bank continued to supply funds to the market. In the afternoon it bought £73m of bills at rates varying between 16 1/4 and 16 1/2.

The easier tone in the UK money markets was helped by a weaker trend in Eurodollar interest rates with the three-month rate closing 1/4 per cent lower at 18 1/4. Sterling was also relatively firm, closing 1.55 cents higher at \$1.8255, although its trade-weighted index, as measured by the Bank of England, dropped by 0.1 to 82.2. The dollar was weaker against all other major European currencies.

Against the German currency it closed at DM 2.2890, against the U.K.-based French Kier civil engineering group's operating subsidiary outside Europe, has won a £17m road construction contract in Iraq.

It is the company's largest order, an eight biggest single contract won by the UK in Iraq in recent years.

The award brings the value of contracts won in Iraq this year by British companies to nearly £350m.

British companies have shown increased interest in the Iraqi market. Their exports to Iraq this year are expected to exceed £500m compared with £322m last year.

The Kier contract involves the construction of an urban motorway system out of Baghdad for 14 miles towards Abu Ghraib. The work will be carried out in a joint venture with

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## Tory critics still sceptical despite Thatcher speech

By Peter Riddell, Political Editor

MRS MARGARET THATCHER yesterday argued that Government policies had responded flexibly to the recession. At the same time, speaking during the Commons debate on the Government's economic strategy, she offered no changes in the direction of economic policy and did little to remove the anxieties of Conservative backbenchers.

The Prime Minister said her policies showed "flexibility within the limits of prudence of the medium term financial strategy." To accuse the Government of inflexibility was "absolute poppycock."

Some of her strongest backbench critics welcomed the change of tone compared with the uncompromising attitude of her speech at the Tory Party conference at Blackpool. But they remained sceptical, saying pending judgement until after the Queen's Speech next Wednesday and next month's Cabinet decisions on public spending.

These events are seen by MPs as the key indicators of whether the Prime Minister is responding to the concern of some of her backbenchers. A few sceptics detect signs that the strategy is being modified, although behind a smoke screen of ministerial assurances of no change.

The so-called Tory wets generally kept quiet yesterday apart from Mr Patrick Cormack, MP for South West Staffordshire.

Describing himself as a "hard wet," Mr Cormack said he would vote for the Government at the end of the debate, but would not guarantee his support in future. This would depend on forthcoming decisions on public spending. He appealed to the Prime Minister, in Cromwell's words, to consider whether she might be wrong.

Mrs Thatcher argued that, because of the pressures of the recession, public spending and borrowing had been increased above originally planned levels to finance the special employment measures and higher borrowing limits of nationalised industries. "We have implemented the strategy responsibly in line with what the nation can afford and with what the exigencies of the recession require."

There was hardly any hint of concession, with only a highly ambiguous reference to the employers' National Insurance surcharge.

She said she would like to remove the surcharge. "But that depends on the balance achieved between public spending

## EUROPEAN NEWS

## Younger hands at helm of Greece's banking system

BY VICTOR WALKER IN ATHENS

THE new Prime Minister, Mr Andreas Papandreu, has moved outside the "establishment families" to fill two of the three top posts in the country's banking system. The two men are also from a younger generation than that holding most of the senior positions in the Greek public service.

Mr Gerassimos Arsenis, the new Governor of the Bank of Greece, and Mr Dimitrios Koulourianos, appointed Governor of the Hellenic Industrial Development Bank (ETBA), are both 51, were born in small provincial towns and educated in the United States, and served for several years with the

United Nations. Mr Arsenis replaces Professor Xenophon Zolotas and Mr Koulourianos takes over from Professor George Spentzas.

The Government is expected next to announce a new Governor for the country's biggest bank, the state-owned National Bank of Greece, in succession to Mr Efthymios Christodoulou, and then to replace the leadership at the Commercial, Ionian and Popular and Real Estate Banks.

Born on the Ionian island of Cephalonia, Mr Arsenis studied economics at Athens University and the Massachusetts Institute of Technology and, in 1960, joined the United Nations studies service. From 1964 to

1966 he was director of the Economic Studies Department of the OECD research centre, then returned to the UN as an expert on Third World planning and foreign trade. In 1971 he was appointed deputy director and in 1973 director for monetary subjects and the financing of foreign trade.

Mr Koulourianos, who comes from Methoni in the southern Peloponnese, studied at the University of California at Berkeley, then returned to Greece to work for 11 years with the Bank of Greece until his dismissal by the dictatorship. He joined the World Bank in 1968 and took part in economic development missions to Asia, Africa and Latin

America. For several years he was a U.N. economic adviser.

He ran on Mr Papandreu's ticket for the European Parliament in the October 18 elections and was elected, but will now give up his seat.

Their careers in some respects mirror that of Professor Apostolos Lazaris (60), the Co-ordinating Minister who will have overall direction of Greek economic affairs. He has a master's degree in economics from Manchester University and worked for the UN for seven years, initially as Economic Counselor and from 1972 to 1975 as director of the UN Economic Development Programme—a position that involved him in economic plan-

ning for several developing countries.

Announcing Prof Zolotas's resignation on Tuesday, Mr Papandreu said he had asked him "to contribute to the work of the new Government, offering to me personally your thoughts and advice." The professor said later he had accepted the request and would "stay on at the bank as an honorary Governor, with an office there."

There was "absolutely no question of dispute" with the Government, he said. He had intended to retire next year at the end of his term of office, and "when I saw it was the Government's intention to renew

the leadership at all the banks, I thought it advisable to leave a year earlier."

The Co-ordination Ministry, meanwhile, has "frozen" application of investment legislation enacted early this year to align Greek incentives with those in the European Economic Community through the offer of matching grants to approved investment.

Processing of applications has ceased and investment and commercial banks have been told to make no loans under the legislation. While agreements already gazetted will be honoured, no more agreements are to be published in the Government Gazette until a general review is completed.

## Polish strike has backfired, says Jaruzelski

WARSAW—About 9m Polish workers staged a one-hour strike yesterday in defiance of the country's Communist rulers, who warned they might be forced to outlaw strikes and take other far-reaching decisions.

The warning was made at a meeting of the Communist Party Central Committee, Gen Wojciech Jaruzelski, the Prime Minister, told the committee that the strike had backfired on its organisers, the Solidarity free trade union.

Gen. Jaruzelski, saying that manoeuvres were not made under fire, announced no immediate measures in retaliation for the strike, and declared there would be no sudden changes at the top.

But Mr Kazimierz Barcikowski,

another senior Politburo member, took a more threatening line, he recalled that the committee had empowered the Sejm (Parliament) to outlaw strikes when it elected Gen Jaruzelski as party leader 10 days ago.

"The Sejm will assume its attitude towards strikes at its next session. If, however, in spite of that, Solidarity's conduct remains unchanged, other far-reaching decisions will become indispensable," Mr Barcikowski said.

The Polish authorities have suggested repeatedly in recent weeks that they may be forced to declare a state of emergency. General Jaruzelski told the Central Committee that the strike had "exposed its organisers' destructive designs. Strike

totalitarianism has this time failed," he said.

Solidarity claimed wide support for the strike throughout the country, but General Jaruzelski said that whatever the outcome, it had served to warn Poles that their country was in danger.

"In the name of the highest good, in the name of saving the nation, the party calls on Solidarity to adopt a constructive approach, to discontinue strikes, and give up unending negotiation."

"I think that this strike, no matter how many people took part in it and no matter how voluntary it was, served for millions of Poles as an emergency signal," he went on.

Gen Jaruzelski referred again to proposals to change

the system of government in Poland, saying that he intended to expand the "coalition dimension" but did not specify whether he intended to invite Solidarity participation.

Mr Lech Walesa, the Solidarity leader, touring a strike-bound plant in Warsaw yesterday, said he hoped the national strike would be the last of its kind, and added that he believed the Communists and Solidarity union could still find room for co-operation.

The strike immobilised most of the country's major industrial plants and halted buses, trams and local trains in big cities, the official Polish news agency said. Solidarity, described the strike as prolonged in several areas.

David Satter reports from Moscow: Gen. Jaruzelski has assured Mr Leonid Brezhnev, the Soviet President, that the Polish party regards the strengthening of ties with the Soviet Union as its "highest duty."

The telegram, Gen. Jaruzelski's first published message to the Soviet leaders since he was elected Polish party leader, was carried on the front page of Pravda, the Soviet Communist Party newspaper.

James Buchanan adds from Washington: The U.S. is to supply Poland with a further \$20m (\$16m) worth of surplus dairy products for "humanitarian" reasons, the State Department said in Washington.

## Deadlock in Norway's offshore stoppage

By Fay Gjester in Oslo

THE WILDCAT strike by Norwegian oil and gas production workers which has cut British gas supplies went into second day yesterday with little prospect of an early solution.

Workers on the two fields affected—Frigg and Ekofisk—have rejected appeals by their union to end the illegal stoppage. The companies involved say they will enter discussions until work is resumed and the Government is not prepared to intervene.

The chairman of the OFS, the union to which most of the production crew belong, addressed a strikers' meeting on Ekofisk yesterday morning, but failed to persuade any of them of return to work.

The strikers say they want a change in "unfair" pay policies, which have given onshore, non-union employees larger increases this year than the platform crews. Instead, they want a uniform pay system for three Norwegian producing fields: Frigg, Ekofisk and Statfjord.

Norwegians now account for about 75 per cent of the workers on each of these fields.

A spokesman said yesterday that the operator companies involved—Phillips on Ekofisk and Elf on Frigg—were discussing the situation with representatives of the Norwegian Employers' Association, to which they belong.

They would be submitting the dispute to the Stavanger labour court and a judgment would probably be given next week, following hearings today or tomorrow.

It remains to be seen, however, what the court can do—apart from confirming the generally accepted view that the strike is illegal.

The workers' spring pay rise was fixed by compulsory arbitration. While they have the right to bargain, in the autumn, for an "adjustment" of this award, they do not have the right to back their demands by striking.

The current agreement runs until April 1 next year. So far, Statfjord employees have not joined the stoppage. They have twice stopped work illegally since the Government ordered compulsory arbitration of this year's pay claim. Subsequently, however, they are understood to have reached agreement with Mobil the Statfjord operator company, about a new pay system to be introduced soon.

The Ekofisk and Frigg strikes are costing an estimated Nkr 150m (£13.7m) per day in lost production. Before the dispute, Frigg's output was running at about 43m cubic metres per day, piped through a 360 km dual pipeline system to British Gas Corporation's terminal at St Fergus in Scotland.

Daily output on the Ekofisk field last month averaged 270,000 barrels of oil and 42m cubic metres of gas. The gas goes to the Continent and the oil to Teesside in Britain.

## Moscow sure of alliance with Finns

By Our Moscow Correspondent

THE SOVIET UNION is showing no discontent over the resignation of Dr Urho Kekkonen, the Finnish President, who helped develop the close ties between the two countries.

The official news agency, Aass, reported Dr Kekkonen's resignation briefly and without comment and the Soviet leaders can expect that the geo-political factors which led Dr Kekkonen to show great sensitivity to the Soviet Union's wishes will be just as compelling for the next Finnish leader.

Finland is the only part of the old Russian empire not within the present-day borders of the Soviet Union. It has helped to preserve its independence by developing mutually advantageous economic and political ties with Russia and by practising a form of internal self-censorship on Soviet affairs.

Finland has lent its full support to several Soviet peace initiatives over the years and represents Moscow's interests in countries with which the Soviets have no diplomatic representation.

Finland's trade with the Soviet Union in 1980 was worth Roubles 3.9bn (£5bn), making the country Russia's second largest Western trading partner. The Soviet Union buys almost half of Finland's exports.

This relationship has been held up by the Soviets as a model for relations with other Western European countries and is likely to be extremely difficult to change, no matter who succeeds Dr Kekkonen.

The Soviet-Finnish relationship has brought some economic benefits to Finland but it has created a situation of great dependency which Finland might not have chosen but for the potential Soviet military threat along the 1,300 km Soviet-Finnish frontier.

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A fisherman spotted part of the vessel's periscope protruding from the water early on Wednesday, about one mile offshore from the town of Karlskrona, on the south-west Swedish coast in the Baltic, where the Swedish Navy has secret installations.

The fisherman notified the navy which arrived at the site with a torpedo boat and tugs and went aboard, a Defence Ministry official said.

Oil has been leaking from the vessel's hull. Its captain has declared the mishap an emergency situation, the official declared, adding that the submarine cannot leave the area without assistance.

It was too early to determine if the grounded vessel was equipped with missiles, the official said. No military manoeuvres are known to be being carried out in the Baltic at the moment.

Some Government officials have already dubbed the incident "Whisky on the Rocks."

## Bonn cuts defence spending by £48m

BY ROGER BOYES IN BONN

WEST GERMANY'S armed forces will have to chop a further DM 200m (£48m) from their planned spending in 1982 under pressure to help finance Bonn's budget deficit.

The Defence Ministry budget—which has been severely criticised by the United States—will rise by only about 3.7 per cent next year in nominal terms instead of the 4.2 per cent originally planned by the Government.

The cut, which was made only after fierce resistance yesterday by Herr Hans Apel, the Defence Minister, reflects both the current financial confusion in Bonn and a curious ideological principle cherished by the ruling Social Democratic Party (SPD).

To appease SPD critics of social welfare cuts, the Government agreed to its initial savings campaign this summer to ensure that the defence budget would not rise more steeply than overall public spending.

Thus, the whole budget was scheduled to increase by 4.3 per cent and the Defence Ministry allocation was scheduled to rise at the same rate.

Increased spending in the 1981 fiscal year, however, means that the overall budget will rise by only 2.8 per cent next year instead of the planned 4.2 per cent. To both SPD left-wingers, and to the Finance Ministry, anxious to find fresh funds, this

strengthened over the past month or two, the effect of the effect of the previous fall is still working its way through the push up the cost of living figures.

In a report published earlier this week, the country's leading economics institutes said they expected an average inflation rate for the whole of 1981 of 6 per cent.

The institutes expected the rate to decline to 4.5 per cent in 1982, both because of the strengthening D-Mark and the impact of the Bundesbank's relatively tight monetary policy.

job last June to Sig Spadolini, leader of the tiny Republican Democrats in federal elections, the first non-Christian Democrat to head an Italian Government in 35 years.

In these circumstances, Sig Craxi's move is generally interpreted as part of complex manoeuvring to bring about the fall of the Government, which would very probably be followed by a general election.

The Socialists are convinced that these would confirm their strong showing in last summer's local elections, and reinforce the argument for Italy's first Socialist Prime Minister since the war.

In recent days not only the Socialists but also the leaders of two other smaller parties in the Government, the Christian Democrats, the Liberals, and the Social Democrats, have warned publicly that an election next spring is probable.

Elections are anything but

## Concept of limited nuclear war challenged in study

BY BRIDGET BLOOM

THE PREVAILING U.S. doctrine that a nuclear war could be controlled, or limited, before it reached the stage of an all-out confrontation, involving the huge nuclear arsenals of the super-powers, is challenged in a study of the London-based international Institute for Strategic Studies, published today.

The study, by Dr Desmond Ball of the Australian National University, notes that the "ascendant view" in Washington is that "it is possible to conduct limited and quite controlled nuclear exchanges in such a way that escalation can be controlled and the war terminated at some less than all-out level."

Some strategists, Dr Ball says, actually visualise an escalation ladder where the super powers are seen as controlling the intensity of nuclear exchanges in a series of clearly identifiable steps.

This doctrine though "extensively and carefully qualified" approximates to the adopted Nato strategy of flexible response, which levels of deterrence, beginning with the possible use of battlefield nuclear weapons, then through so-called theatre or medium-range missiles to the long-range intercontinental weapons.

The use of a very few nuclear weapons "for some clear, demonstrative purposes" (such as Hiroshima and Nagasaki) were bombed in 1945) need not mean escalation, Dr Ball says. Beyond that, however, he concludes that the limitation of

nuclear war is extremely unlikely for two principal reasons: systems used by both sides for commanding and controlling a nuclear war are highly vulnerable, and because, Dr Ball believes, the Russians would be unlikely to co-operate with the U.S. in limiting a war once it has broken out.

Dr Ball says that while thousands of Soviet warheads would be needed to damage (rather than destroy) the U.S. nuclear arsenal, "it would only about 50-100 warheads to destroy the main facilities of the national command system" of the U.S. He believes the Soviet system could be similarly devastated.

In addition, "technical and strategic considerations" Dr Ball says, "are in fact on both sides, the lack of a clearly identifiable escalation ladder which would be necessary for the control of nuclear war."

Dr Ball concludes that in practice, "the command channels between the two super powers would be uncontrollable shortly after the first use of weapons launched."

He adds, however, that decision-makers on both sides "know this, and have accepted the fact that the nuclear war would be limited or controlled, the options open to them."

"Can Nuclear War be Controlled?" by Desmond Ball, Adelphi Paper 169, IISD, 20 Tavistock Street, London WC2.

## Terry Dodsworth on French industrial research spending Mitterrand's technology revolution

IF YOU measure French cabinet ministers by the budget increases they have wrung out of the Treasury, M Jean-Pierre Chevènement, the Minister of Research and Technology, is unquestionably one of the front-runners.

He will preside next year over expenditure of about 30 per cent more than in 1981—a real increase of around 15 per cent. Only the Culture Department, a favourite of President Francois Mitterrand, and the Labour and Economic ministries, pushed into the front line in the battle against the recession, have done better.

One of the reasons behind this boost in research spending is M Chevènement's own considerable political weight in the Socialist Party. He earned President Mitterrand's gratitude as a solid ally during the interecine Party struggles two years ago. He is now one of France's five senior Ministers with a brief to reorganise the country's fragmented research and development, even where it means meddling with the affairs of other departments.

Equally important to the department's budget, however, is the current Socialist faith in technology, a little reminiscent of the British Labour Party's enthusiasm in the 1960s.

M Chevènement, an uncompromising intellectual who is also one of the most impressive debaters in the Socialist ranks, is a skilled exponent of these ideas. Mastery of the technological revolution, he says, conditions everything else—the Government wants to achieve economic growth, energy independence, the reduction of work time and an ability to help the Third World.

These themes have been heard before, particularly in the high period of Gaullism in the 1960s, a golden age for French research spending when France was aiming to assert its freedom from U.S. science.

France's Socialist Government is putting more money into industrial development, but it remains to be seen whether it will be more successful than the Gaullists of the 1960s. M Jean-Pierre Chevènement, the Minister of Research and Technology, believes nationalisation of the technological sector, combined with an extra research effort, is essential to put French industry into the front ranks.



Jean-Pierre Chevènement, front-runner

There were echoes of them under M Giscard, the last President, who aimed at developing a limited number of specific high technology sectors. Nevertheless, the Socialists argue that it was during the last presidency that the French research laboratories began to lose momentum.

According to recent ministry figures, French research spending, including the military budget, reached a high point of more than 2 per cent of Gross National Product (GNP) in 1967, slipping back to run at a fairly constant rate at about 1.8 per cent during the 1970s.

This is a lower percentage than for France's four big western industrial competitors. The U.S., West Germany, the UK and Japan all manage 2 per cent or more, led by the U.S. with 2.4 per cent in 1979. M Mitterrand's Government, with a dash of Socialist optimism, is aiming for 2.5 per cent by 1985.

Next year, spending is budgeted at FFr 52bn (£4.9bn), 2 per cent of GNP, of which the

Research and Technology Ministry takes about half, leaving the rest to the military establishment and the telecommunications industry.

Some critics of the Government question whether all this extra money can be effectively absorbed. But for M Chevènement, a fervent advocate of the State's role in industry, it fits into an overall strategy for a more closely planned economy.

He is author of the *Projet Socialiste*, the basic policy document for the Socialist Party, and believes in the dynamic role of the nationalised sector as a counterweight to multinational industries. The word nationalisation, as he puts it, contains the word "nation." M Chevènement argues that technological independence, pursued through the nationalised sector, is a precondition for political freedom of action.

"In many areas, it is still within France's reach to maintain a presence on international markets, but not for a private company," he says. "According

to whether the (present French) enterprises are involved in the decisive industrial sectors of the future, they are being brought into the nationalised sector."

To maintain these groups as "national champions," as they are called in France, will then require an added research effort—part of the Socialists' investment push for economic growth to help industry reconquer the domestic market and increase export sales. Once the companies on the present nationalisation list are taken over, the public sector will account for more than half of French industrial research.

"Look what we did with the telephone," says M Chevènement. "The research effort of the National Centre for Telecommunications Studies, linked with a consistent public buying policy, has pushed the French industry into the front ranks. We can do the same thing in the information industry, in robotics and electronics."

M Chevènement stresses that this new co-ordinated approach to the country's technological development will not leave basic research floating in limbo as a sort of poor relation to the design and sale of new products. A big national debate is being organised with the scientific community later this year to try and define priorities. At the same time, a large proportion of next year's expenditure is being put into a re-equipment drive for laboratories, whose funds have been tightly squeezed during the past five years.

Nevertheless, a fundamental aspect of the reorganisation, giving M Chevènement the power of arbitration over virtually the whole of basic and applied research, is to step up France's industrial development. This means that M Chevènement will have a central role in picking winners. The question now is whether a Socialist will be able to do it better than the Gaullists.

## Renault strike settlement in the balance

BY TERRY DODSWORTH IN PARIS

AN END to the strike at Renault's Billancourt plant in Paris was hanging in the balance last night after a partial resumption of work in the main workshop affected by the dispute.

Renault set the production lines in the plant in motion again yesterday after the powerful Communist CGT union had accepted an improved pay and conditions offer from the management. This

gave the strikers a one-off bonus, compensation payments for loss of earnings and made provisions for upgrading some workers.

But less than half the 430 workers involved in the dispute voted in favour of these proposals, but the company nevertheless started work again yesterday in the hope of bringing the two-week strike to a halt.

Last night, the divisions in the union ranks were still apparent, with the CGT members largely supporting the return to work, with the rival Socialist-orientated CFDT union was continuing efforts to persuade the workers to stay out.

The company, which has lost production of about 18,000 Renault 4 cars during the dispute, has also opened contact with the CGT on global talks designed to lead to a new company agreement.

This initiative seems designed to take some of the pressure out of the shop-floor demands for improved workers' conditions and participation in company affairs by considering them round the negotiating table. But the company's tactics are to get the Billancourt plant, where 4,000 workers have been laid off, back to full-time production before discussions begin.

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## Controversial film shown on TV at last

BY DAVID WHITE IN PARIS

A DOCUMENTARY made specially for television 12 years ago and dealing with some of the more sensitive aspects of the German occupation period, was screened for the first time on a French network last night.

The showing of "Le Chien et la Pitié," a mammoth work concentrating on a French town—Clermont-Ferrand—during the years 1940-45, marks the end of a long saga of argument and vacillation.

President Georges Pompidou was adamantly against the film. Under President Giscard

d'Estaing, whose father is mentioned in the film in connection with the Vichy administration, the heads of the newly reorganised broadcasting services simply had cold feet.

In the words of the director Marcel Ophüls, son of the distinguished film-maker, Max Ophüls, it was the victim of "censorship by inertia." In the meantime, seen by foreign television viewers and French cinema-goers, the film became a classic.

Yesterday's screening of the first part—the second goes on the air tonight—is the major

event in French television since the shake-up among senior staff following President Francois Mitterrand's election in May. Under the shake-up, one of the film's co-producers, André Harris, has become head of programming for the TF1 television channel.

The three networks are reported to have battled, after the election, for the rights. In the end it was the regional channel, FR3, which announced in August it had bought them, for a sum said to be FFr 1.5m (£14,300).

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هكمان النحل

## Arab states sharply divided over Fahd plan for peace

By HANAN HAJAZI IN BEIRUT

SHARP DIVISIONS have developed in the Arab world over what attitude should be taken on Egypt's new President Hosni Mubarak and on a Saudi plan for a peaceful settlement of the Arab-Israeli conflict.

A Saudi newspaper, Al-Madina, urged the Arabs to an editorial yesterday to allow Mr Mubarak a one-year period of grace, and not to put pressure on him at this time to negotiate the Camp David accords with Israel.

The Kuwaiti Press had already taken such a positive stance. The newspaper Al-Qabas warned that bringing pressure to bear on Mr Mubarak to abandon the peace process would be used as an excuse by Israel not only to keep the last part of Sinai but also to try to re-occupy the sections already turned over to Egypt.

But in Baghdad, the Government newspaper, Al-Thawra, in a long editorial, has assailed Arabs who have been calling for a reconciliation with Egypt. It reminded them of resolutions accepted at the 1978 Arab summit conference in Baghdad which made Egypt's re-admission into the Arab fold dependent on total abrogation of the agreements with Israel.

Iran has thus joined Syria and the Palestinian guerrilla movement in opposing contact with the new Egyptian regime which broke all links with the Jewish state.

The Syrian position was reflected in editorials in the Government-controlled Press in Damascus. The attitude of the Palestinian Liberation Organisation was spelled out in a speech earlier this week by Abu Iyad, the second in command in the guerrilla movement.

Noting that Mr Mubarak had made it clear he intended to pursue the Camp David peace process, Abu Iyad said that reconciliation with him "would be tantamount to admitting the treason of Anwar Sadat into the Arab fold."

Analysts here say Saudi Arabia, through its offer of hand to Mr Mubarak and the eight-point peace plan put forward last August by Crown Prince Fahd, is fast emerging as the new Arab power, favouring a moderate stance to the Middle East conflict.

The problem, however, lies in inter-Arab disagreements over the Fahd proposals, which, among other things, called for the establishment of an independent Palestinian State in the occupied West Bank and Gaza, and the recognition of the right of all nations in the region to live in peace, a provision interpreted as including Israel.

Riyadh has been heartened by the fact that Mr Yasser Arafat, the chairman of the PLO, has endorsed the Fahd blueprint as a good basis for a negotiated settlement. However, most of the other guerrilla factions have opposed it, and even voiced criticism of Mr Arafat's position.

Reuters reports: Lebanon yesterday expressed concern to Italy and France about proposals for four EEC countries to provide troops for a monitoring force in Sinai.

The EEC has not yet taken a final decision on a proposal for British, French, Italian and Dutch troops to participate in a 2,500-man force to patrol the Sinai when Israel completes its handover of the territory to Egypt next April.

## 'S. Africa in new attack on Angola'

By Our Foreign Staff

THE ANGOLAN Ministry of Defence has accused the South African Defence Force of launching a new attack deep into southern Angola, to coincide with the Western mission to promote a peace settlement in neighbouring Namibia.

The charge, which was denied by South Africa, said that airborne troops, with heavy air cover, had attacked Angolan military positions around the village of Cahama, more than 100 miles north of the Namibian border.

The Angolan military communiqué was reported by the national news agency, Angop, which said the attack happened as the Western Contact Group was holding talks in Luanda with leaders of the Angolan Government and Swapo, the Namibian guerrilla movement.

In Pretoria, the South African Defence Force issued a statement describing the Angolan claim as "blatant lies and pro-Soviet propaganda."

Renewed efforts to promote a peaceful settlement in Namibia are traditionally regarded both by South Africa and Swapo as a good excuse to step up the guerrilla war and counter-insurgency in the north of the territory, as they jockey for bargaining strength.

## Western envoys face long road to Namibian independence

By J. D. F. JONES IN JOHANNESBURG

THE ENVOYS of the Western "Contact Group" will today hold talks in Windhoek with the domestic political parties of South-West Africa (Namibia) to clarify details of their constitutional proposals for a United Nations-supervised independence of the territory.

Yesterday the five nations teams—led by Dr Chester Crocker, U.S. Assistant Secretary of State for Africa—met South African Cabinet Ministers and officials in Cape Town. The South Africans have not contradicted the widespread impression here that they are prepared to endorse the Western proposals.

But these constitutional guidelines for the Constituent Assembly that would be chosen through a UN-supervised election are only "phase one" of a three-stage Western programme. The "implementation" of a ceasefire followed by elections will be "Phase Two" and is going to be much more tricky.

Much of the substance of "Phase Two" was worked out in 1978 when the Western proposals of July were embodied in the UN Security Council resolution 435 of September—which remains the holy text of the present diplomacy.

From the detail of these published proposals (including an Annex on the likely timetable)

it is possible to look ahead down the likely path (and obstacles) to Namibia's independence. Twelve weeks were assigned (in 1978) to securing the ceasefire to be followed by four months for an election campaign, it is hard to see how this seven months can be safely reduced.

1. The starting gate would be a UN Security Council resolution authorising the appointment of a UN Special Representative (presumably Mr Matti Ahtisaari) and the start of contingency planning. This would be followed within a week by another Security Council resolution setting up the role of the UN, a United Nations transition assistance group (UNTAG) and its financing.

2—At this point a seven-month stopwatch would start. There would be a general ceasefire in the territory. All Swapo and South African forces (including ethnic forces) of the armed units of the various "second-tier" South West African Governments—a very important point—would be confined to base. UNTAG would arrive to monitor the ceasefire, all political prisoners would be released.

3—Within six weeks, South African forces would be reduced to 12,000 men and exiles would be helped to return.

4—Within nine weeks of the start, South African forces

would be reduced to 8,000. Swapo would continue to be restricted to base, exiles are coming home through "designated entry points" (including Swapo non-combatants whose free political activity is guaranteed by resolution 435).

5—Within 12 weeks, South African forces would be down to 1,500 and all South African military installations along the border deactivated or under UN supervision.

6—On week 13, a four-month election campaign starts, leading to the Constituent Assembly.

This timetable will no doubt now be amended in certain respects, but it was originally worked out in expert detail and it helps show up some of the problem areas of "Phase Two."

● Will the South African defence forces withdraw to base even if there are doubts (see the Zimbabwe experience) about the parallel withdrawal of Swapo?

● What will be the position of the recently-formed South West African Territory Force which, from Swapo's viewpoint, must count as South African? The 1978 Annex is specific enough: "Dismantlement of command structures of citizen forces, commandos and ethnic forces including the withdrawal of all



Dr Charles Crocker, the U.S. assistant Secretary of State for Africa, with Mr Matti Ahtisaari, the UN Special Representative for Namibia.

South African soldiers attached to these units.

● Will the "existing police forces" be able to maintain law and order even with the help of "UN personnel?"

● Will the front-line States be asked to monitor or even guarantee the Swapo bases outside?

● What can be done to neutralise the "partiality" of the UN to Swapo? (This is at present the principal South African concern.) It seems inappropriate for the UN to supervise an election in which it has for years resolved that Swapo is the "sole and authentic" representative of the Namibian people.

● How large a force does UNTAG need? The UN has been

talking of 7,500 troops, but it has been unofficially understood that a lesser number will be agreed. There has been speculation in South Africa that UNTAG will be composed mainly of Western (plus Nigerian) elements and that they might wear national uniforms, not the blue beret in a bid to lessen their "pro Swapo" connotations.

● What will happen to Walvis Bay? This enclave, the only good port on the coast, was annexed by Britain to the Cape in 1884 and the South Africans have all along insisted that it remain South African, not Namibian. In 1978, UN Security Council Resolution 433 unanimously declared that Walvis Bay was part of Namibia.

## India remains sceptical of Pakistan 'no-war' pact

By K. K. SHARMA IN NEW DELHI

THE OFFER by President Zia-ul-Haq to send in writing his proposal that India and Pakistan should sign a "no-war" pact is being treated with extreme scepticism in New Delhi where the seriousness of his intentions is doubted. Hence the proposal is virtually a non-starter.

Mrs Indira Gandhi, the Indian Prime Minister, said yesterday that "the proposal makes no sense. You can't talk of peace and prepare for war."

The proposal was made by Pakistan's Foreign Ministry about three weeks ago at the end of a statement to the Press which was primarily intended to defend the acquisition of modern weaponry, including the F-16s, under a \$3.2bn deal with the U.S.

New Delhi's reaction, reiterated by Mrs Gandhi, was that any serious proposal of this nature should have been conveyed to the Government formally.

President Zia's offer now to put the proposal in writing to the Indian Government does not change New Delhi's attitude to it since the feeling that it was, never meant seriously remains.

The Indian Government is still extremely concerned at the U.S. arms deal with Pakistan, especially after President Zia told the Russians recently that he does not fear an attack from them. The conclusion, as New Delhi sees it, is that Pakistan is acquiring the weapons for use against India.

## All quiet on Sudan's western front

By Alan Mackie in El Fasher, West Sudan

THE SLOW moving oasis town of El Fasher, once the seat of the Sultan of Darfur and now the capital of Sudan's westerly province, shows little evidence of border tensions. Modest troop encampments around the airport and a C-130 transport aircraft running supplies to the frontier with Chad are the only traces of military activity.

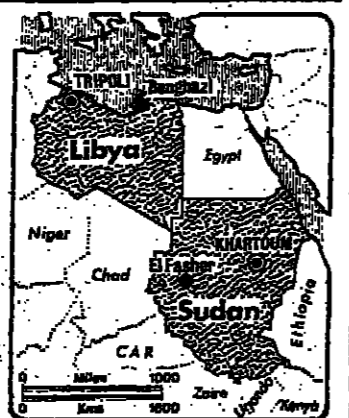
If there ever was a threat of war on Sudan's western border after the Libyan bombing raids on Sudanese frontier villages, it has subsided. Gen. Kamal Al-Bakri, Commander of the country's western region, admitted here that there have been no Libyan air raids for 11 days and the border—an ill-defined line following dried river beds and escarpments through 800 miles of desert scrub—is quiet.

Civilian flights are still operating to the border town of El-Geneina, 270 miles west of here, where the fuel can be found. In contrast to the turbulent accusations by Mr Jaafar Numeiri, the President of Sudan and other officials about Libya's designs on Sudan two weeks ago, the threat is now being played down.

Gen Bakri said his men had strict instructions not to set foot in Chad. But as a precaution against further air attacks, he has ordered troop movements to be made at night as far as possible.

Mr Ahmad Ibrahim Dirreig, the Governor of Darfur, said the conflict with Libya is nevertheless hitting the province hard. Since the Libyan incursion into Chad last December, the stream of refugees fleeing the civil war has swollen El-Geneina to three times its normal size. An undetermined number of additional refugees have come into Sudan.

The Libyan border bombing raids and the influx of refugees have caused defence and security problems as well as economic hardship. Defending a country almost the size of Western Europe with 36 ageing Mig-17 and 19 jet fighters is an insuperable task in response



to the threat. The U.S. is stepping up deliveries of a \$100m (\$55m) arms package which will include M-60 tanks and F-5 Phantom jets.

But the Sudanese airforce will not get many F-5 fighters at \$5m a time. That said, the prospect of a Libyan inspired blitzkrieg across the desert is not taken seriously because of the huge distances involved.

The threat of internal subversion is more serious. Never far from people's minds in Khartoum is the Libyan inspired coup in 1976, which came close to success. Then 3,000 Ansars (followers and descendants of the Mahdi who killed Gen Gordon) took over Khartoum for two days. Mr Numeiri has since made his peace with Sadek Al-Mahdi, the Ansars' leader, but it is a peace that is dangerously brittle.

To combat the problem of security in Khartoum, the authorities have rounded up 13,000 vagrants in the past two months, of which about 7,000 have been detained.

The 20,000 registered Chadian refugees are a drop in the ocean compared with the 500,000 Sudan plays host to on its southern and eastern borders. At the same time the 22 bombing raids carried out over the last month have not amounted to much.

Sudan's real reason for having blown up the issue in the first place lies in its inherent instability at a time of constitutional change. The National Assembly was dissolved early this month to allow power to be devolved to regional assemblies. Difficult economic decisions lie ahead. There are doubts about the intentions of the Ansars in the light of Mr Numeiri's implacable antipathy to Col Muammer Gaddafi, the Libyan leader, and a sense of isolation after President Sadat's assassination.

# faster

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## AMERICAN NEWS

## Reagan likely to urge decontrol of domestic gas price

BY PAUL BETTS IN NEW YORK

THE REAGAN Administration is expected to make its long awaited recommendation to the U.S. Congress to decontrol the price of domestic natural gas in the first week of November.

Mr James Edwards, the U.S. Energy Secretary, said the Government planned to go ahead with its controversial proposals to deregulate domestic gas prices at the beginning of next month after addressing a conference on electricity utilities finance in New York yesterday.

Although the Reagan Administration had indicated in past months its intention to deregulate natural gas prices, it was not generally expected to press ahead so quickly.

The decision has already provoked opposition from consumer groups and political lobbyists—including those in President Reagan's Republican Party—on the grounds that it would stimulate even further inflation.

In the case of his party, some Republican congressmen are worried that gas deregulation could represent a political handicap in the run-up to the mid-term congressional elections in November 1982.

Despite repeated pledges by the Administration that it

planned to deregulate gas prices as soon as possible, there had been an increasing view that the Government would delay presenting its recommendations to Congress until after next year's elections.

But Mr Edwards said yesterday: "We have to deregulate natural gas, as we did oil earlier this year, to create a free market in energy that will allow utilities and everybody else to vote for the energy mix that is most appropriate, both economically and regionally."

The full decontrol of oil prices was one of the first major steps taken by President Reagan after he was inaugurated last January.

Mr Edwards also proposed various measures to ease the current financial plight of the U.S. utilities industry. Among these measures he said it was necessary to convince state public service commissions and the Federal Energy Regulatory Commission that utilities deserve a realistic rate of return at least 4 per cent higher than the current rate which hovers just below 12 per cent.

"When a utility has to pay 19 per cent on its bonds, it cannot continue in business indefinitely if it is earning far less than that," he said.

## The demand for energy in the U.S. is flagging, writes David Buchan in Washington

# Reagan steps in to help the ailing nuclear industry

PRESIDENT REAGAN has been sending the ailing U.S. nuclear industry a series of "get well cards" promising fewer barriers to exports, help in disposing of its growing heap of radioactive waste, speedier government licensing of new reactors and an opening up of fuel reprocessing to private companies.

It is not clear whether the patient will respond, even to Mr Reagan's bedside manner. The nuclear industry's real problems seem to be caused by the state of the U.S. economy, which has depressed the increase in demand for power to almost 3 per cent a year, compared to 7 per cent in the early 1970s. At the same time, high interest rates have made it acutely expensive for utility companies to build reactors on borrowed money and there is sharp public concern about reactor safety since the Three Mile Island accident in 1979.

As a result, U.S. reactor companies have received no new orders in the past three years. Ironically, Westinghouse, General Electric, Combustion and Babcock and Wilcox, have kept going on re-design work and supplying components to meet the raised safety standards required by the Nuclear Regulatory Commission (NRC).

This is fine for these companies in the short term, but does not bode well for the longer outlook. Due to shutdowns on safety grounds, the U.S. power industry is operating its reactors only 65 per cent of the time, compared to 75 per cent in 1978. Some utilities, such as Washing-



Cooling towers at Three Mile Island

ton Public Power on the West Coast, have mothballed unfinished reactors for a couple of years to the relief of their stockholders and bankers.

The recent start up of the Diablo Canyon reactor in California—over the protests of several hundred demonstrators—

did nothing to improve the nuclear industry's image or moral. Almost immediately afterwards, the NRC and the plant's operator discovered that pipes designed for one part of the reactor had been mistakenly installed another part.

Nevertheless, Mr Reagan, who

increased spending on nuclear power in his 1981-82 budget (in contrast to cuts in other energy sectors), is trying to help the nuclear industry both at home and abroad.

The Administration's refrain is that the U.S. must re-establish its reputation abroad as a competitive and reliable nuclear supplier. To this end, it is contemplating low-priced fuel and joint nuclear research programmes for companies that buy reactors from the U.S.

In addition, vice-president George Bush hinted during his recent tour in Brazil that the Administration is considering changes in U.S. non-proliferation policy and law, reversing the souring of relations between the U.S. and many of its nuclear customers which occurred during the Carter years. Lower-level officials made similar hints during a tour in South Africa.

The question is whether the White House is raising expectations abroad which it will be unable to fulfil in Congress.

The Administration is considering specific legal changes, according to a confidential internal document, including a switch in licensing nuclear export materials from the quasi-independent NRC to the State Department, under the executive's thumb.

The changes which could stir a storm on Capitol Hill are in the document's suggestions of eliminating the present legal sanctions (a cut off in all U.S. aid and nuclear trade) on non-nuclear weapon states believed to be building a bomb, and of

rewriting the 1978 U.S. non-proliferation law so that it would not affect nuclear export contracts signed before that date.

The 1978 law requires that the U.S. can only export reactors or fuel to countries agreeing to accept "full scope safeguards", that is, inspection of all their nuclear facilities, regardless of whether they are U.S. built or supplied. The problem is that some countries with U.S. nuclear contracts precluding this law, such as India, South Africa, Brazil and Argentina, cause the most acute proliferation worries.

The Administration's document recognises that "a major effort will be required on the (Capitol) Hill" to make these changes. Indeed, the Senate sent the White House a very specific warning last week, when it passed an amendment, proposed by Republican Senator Jesse Helms, which would cut off all U.S. aid to any supposedly non-nuclear country which exploded a nuclear bomb.

By lifting the 1977 Carter ban on domestic reprocessing of spent nuclear fuel, Mr Reagan sought to show that the U.S. no longer believed reprocessing was taboo, point a way to solving the problem of how to deal with waste fuel and get commercial nuclear companies more involved in the production of plutonium in a way that would free Government facilities to concentrate on making weapons.

That might have been doubly were it not for the fact that private companies seem to be no longer interested in reprocessing, as Allied Corporation, one of five owners/operators of the semi-finished reprocessing plant at Barnwell, South Carolina, has just made clear.

The senior vice-president of Allied Corporation said in a letter this month to Mr James Edwards, the Energy Secretary, that his company and its partners did not plan to spend another \$500 million (\$277-502m) on completing the Barnwell plant, because they believed that reprocessing was "commercially unviable". Instead, the company is taking its earlier investment as a write-off.

Reprocessing, heyday seems to be over, for the moment at least. All three U.S. reprocessing plants—only two of which are actually operating—are now closed down. They were conceived in the 1960s, when estimates of nuclear power demand were more grandiose and what it was felt that would be necessary to recycle or reprocess scarce and expensive uranium. That fuel is now \$22,000 (\$22,741) a pound as against \$10,000 compared to \$30,000 years ago.

It is certainly true that the nuclear industry has welcomed Mr Reagan's promise to speed up the licensing of reactors. But the practical impact of that will depend on the future course of U.S. electricity demand, the economy and on the Administration itself.

## Peruvian Cabinet change strengthens Right wing

BY HUGH O'SHAUGHNESSY

Sr Fernando Belaunde, the Peruvian President, has replaced the liberal interior minister Sr Jose Maria de la Jara, with an air force general and replaced the serving ministers of the air force, army and navy with the commanders of the three respective services.

The move greatly strengthens military influence in the Peruvian Government. Sr de la Jara resigned on Tuesday because of the death last week in police hands in Cuzco of a 19-year-old student, Antonio Ayerbe Flores. The outgoing Minister said the incident "was repugnant to my democratic conscience."

He has been replaced by the Air Force Minister, General José Gagliardi. Gen Hernán Boluarte takes Gen Gagliardi's

place as Air Force Minister. Gen Luis Cisneros Visquerria becomes Army Minister in place of Gen Jorge Muniz, and Vice-Admiral José Carvajal becomes Navy Minister in place of Admiral Mario Castro de Mendoza.

The Cabinet reshuffle comes against a background of civil unrest in five of the seven provinces of the department of Ayacucho where Left-wing groups have been active organising protests against rises in public transport tariffs.

A state of emergency and a curfew are in force in the five provinces. The outgoing Interior Minister was strongly criticised by Right-wingers in the ruling Popular Action party for supposed weakness in handling the civil disturbances.

## Young pledge to unite Atlanta

MR ANDREW YOUNG, the former U.S. ambassador to the United Nations, yesterday faced the difficult task of restoring race relations in Atlanta after winning a bitter campaign for mayor that polarised blacks against whites in a city that once prided itself on its racial harmony.

Mr Young won 55 per cent of the vote to defeat his white opponent, Mr Sidney Marcus, a member of the Georgia House of Representatives. He immediately pledged to work to "bring our city together."

Mr Young pointed out that he had not been elected exclusively by the black majority

in Atlanta. Indeed, about 10 per cent of each candidate's support came from voters of the opposite colour. But the final totals reflected the city's racial composition.

The campaign, Mr Young said, had been "tough, hard but fair." Despite the strains it had generated, "there have been no broken relationships and there will be none in future," he said.

Mr Young, a former preacher and civil rights leader, takes over, as the second black mayor, a city shaken by a series of murders of black children in the past two years. Many white businessmen in the city had hoped for a return to a white mayor,

in the belief that Mr Maynard Jackson, the city's first black mayor, had failed to solve the city's problems during his two terms of office over the past eight years. The white business community had heavily supported Mr Marcus.

The campaign deteriorated after Mr Young's supporters tried to rally the majority black vote on grounds of racial loyalty. At one point Mr Jackson called blacks who planned to vote for Mr Marcus "shuffling, grinning negroes."

Mr Marcus accused Mr Young of using "the politics of panic," which showed he was "willing to destroy our city by manufacturing racial tension and distrust rather than lose an election."

## New York poll districts 'unfair'

By Our New York Staff

NEW YORK City's tangled election process has been thrown into even greater confusion by a ruling from the Justice Department that its plan to redraw voting districts is unfair to minorities.

The city had to reshape its districts after last year's census. But minorities objected to the new plan and succeeded in winning postponement of primary elections that were to have been held on September 10.

The Justice Department then examined the plan and now says it is not satisfied that New York prepared it "without a racially discriminatory purpose."

## Budget setback in Senate as cuts target rejected

BY OUR U.S. EDITOR IN WASHINGTON

PRESIDENT REAGAN'S plans for a new \$13bn (\$7.3bn) round of spending cuts in the 1982 budget has suffered its first formal setback in the Senate, which on Tuesday refused to make more than minor cuts in funds for the Interior Department.

The Republican-dominated Senate overwhelmingly approved a \$7.6bn (\$4.2bn) Interior Bill, a figure \$1bn higher than the spending limit proposed by Mr Reagan. The White House has not yet revealed whether the measure qualifies as a budget-busting Bill of the sort Mr Reagan has said he will veto.

The vote on the Interior Bill came after the Senate Appropriations Committee approved \$10.4bn (\$5.76bn) for the Department of Transportation—\$63m (\$35.9m) more than the new limits called for by Mr Reagan last month, but in line with the original budget target he set in March.

The Senate vote came after Mr David Stockman, the Budget Director, had publicly admitted that Mr Reagan's aim of closing the budget deficit to zero by 1984 is now seriously behind schedule. But he said that the Administration was not making a fetish out of a balanced budget by 1984.

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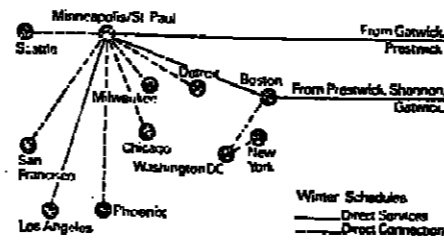
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## Home costs continue to fall, says Woolwich

By Michael Cresswell

HOUSE prices continue to suffer according to the Woolwich Building Society.

Evidence compiled by the Woolwich suggests that average prices fell by 0.75 per cent in the year to September, and larger decreases were recorded on certain types of properties.

The Woolwich says that houses built between 1918 and 1939 showed the biggest price falls, averaging just less than 5 per cent, while properties built since 1940 showed an average drop of just over 3 per cent.

New house prices fell by just over 0.5 per cent.

At the same time, however, the average price of properties built before 1918 rose by nearly 2 per cent. According to the Woolwich, the average house price in the UK now stands at more than £24,000, with the highest average (£29,897) recorded in London.

The Woolwich yesterday announced that assets had grown by 14.3 per cent to £3,230m in the financial year to September. Mortgage lending was up 37 per cent to £688m. Sir Oliver Chesterman, chairman of the Woolwich, forecast that the building societies would be "very much slimmed down" by the end of the present decade.

"Some less efficient societies may be unable to stay in business and as a result we may expect to see an increasing number of mergers. Societies must now take stock and ensure that their own houses are in order," Sir Oliver added.

Another building society has decided to scrap differential mortgage rates.

The Derbyshire Building Society announced yesterday that it was following the lead given by the Woolwich and the Halifax in withdrawing its policy of charging home buyers more on loans of more than £15,000.

Commenting on the decision, Mr Roger Hollick, chief executive of the Derbyshire, said extra charges on larger loans would be removed by December and existing borrowers would benefit from next March.

"We were one of the last societies to charge extra on higher loans and we are pleased to see the recent trend back to a basic rate led by two of the largest societies."

## ICI plans London office sale

Financial Times Reporter

IMPERIAL CHEMICAL INDUSTRIES confirmed yesterday that it was negotiating to sell 770,000 sq ft of Central London office space to Heron Corporation, the private group headed by Mr Gerald Ronson.

At the centre of the discussions in the last few weeks are two buildings, Thames House North and Thames House South, near ICI's headquarters on Millbank.

The buildings are owned by Thames House Estates, an ICI subsidiary, and are largely tenanted by the Department of Energy and the Crown Agents. Some ICI employees are housed in Thames House North.

ICI said Heron had asked if the buildings were for sale, and negotiations then started. He emphasised that the talks did not signal the start of a wide-scale sale of premises.

King and Co., the agents, represent ICI in the talks. Richard Ellis has acted for Heron. ICI owns the freehold of the two buildings and estimates in the property market suggest that the sale could realise anything up to £80m for the group.

## Chairman of Royal Bank defends merger

By Our Banking Correspondent

SIR MICHAEL Herries, chairman of the Royal Bank of Scotland Group, has hit back at critics of its planned £500m merger with Standard Chartered Bank, which is currently under investigation by the Monopolies Commission.

In a letter to shareholders, Sir Michael says he and his board "totally reject suggestions that a merger with Standard Chartered would be disadvantageous to Scotland."

His statement follows growing criticism in Scotland about the merger. This culminated in Mr David Steel, the Liberal leader who represents a Scottish constituency, saying last week he opposed the merger since it would mean that the Royal Bank would become simply a branch of a London bank.

Mr Steel came out in support of the rival bid from the Royal Bank of Scotland from the Hongkong and Shanghai Banking Corp. Speaking in Edinburgh, he said: "There should be no doubt here in the capital that for the Royal Bank to become part of the Hongkong Shanghai Group would be wholly in line with the best Scottish mercantile international tradition."

## HOUSE BUILDING SLUMP PROMPTS KILN CLOSURE

# Blue Circle to cut 1,100 jobs

By Ray Maughan

BLUE CIRCLE Industries, largest cement manufacturer in Britain, plans to cut its workforce by 1,100 in 1982 to improve efficiency.

The redundancy programme, coupled with capital spending of about £200m for five years, is the group's response to the deepening effect of the slump in the home construction industry.

The group said yesterday that it would close permanently one of the two kilns at the Plymouth stock works in Devon, as output from the remaining kiln would be enough to meet local needs.

BCI intends to reduce employment at Barnstone, Nottingham,

by concentrating its experimental research activities at Greenhithe, Kent.

Steps will be taken to improve efficiency of the marketing and distribution operation by increasing use of automatic packing and loading facilities.

The distribution fleet is to be reduced. The construction industry slump has affected some of the non-cement activities, which take in sanitaryware and bathroom products, and reductions in manning and other cost-cutting exercises in these areas will be put in hand early next year.

BCI employed an average of 12,852 in 1980, including the workforce at Armitage Shanks, which was acquired in November and December.

Its profits in 1980 climbed from £51.9m to £78.6m before tax, and in the six subsequent months BCI produced profits of £50.9m which compared with a surplus of £34.2m in the comparable period last year.

Its extensive overseas cement interest acquired for 65 per cent of the interim profit total by June this year. Cement deliveries to the domestic market dropped from 4.5m

tonnes to 3.8m. Cement prices were lifted by 11 per cent in March.

BCI said yesterday that even after the substantial fall in domestic volume in 1980 deliveries so far this year were down by 20 per cent.

Most plants are expected to suffer from the redundancy proposals with the exception of the Armitage Shanks group.

Negotiations will start shortly with plant works committees at all sites.

The lay-offs are expected to start taking effect early next year.



Police search the hand luggage of an Oxford Street, London, shopper in an attempt to foil terrorists.

## Water charges 'to exceed inflation'

By Gareth Griffiths

WATER PRICES for industrial and domestic consumers in England and Wales will rise faster than the rate of inflation in the next decade, Sir Robert Marshall, chairman of the National Water Council, said yesterday, launching the council's annual report.

Water charges in real terms have remained steady for the past eight years and the projected real increase reflects both the new financial targets the water authorities have been set by the Government and also the need to meet increases in replacement work on the nation's sewers and water pipelines.

On average domestic charges rose some 16 per cent this year to £1.16p a week. The authorities' policy is to ensure some balance between private and industrial charges.

Charges had been expected to run ahead of inflation for several years because of the industry's need to meet a 1.25 per

cent return on substantially revalued assets under a new current cost accounting system which increased the value of the industry from £5.7bn gross to £45bn.

But the water authorities had been required to achieve this by 1984 and for Wales by 1986 and the decade projection goes well beyond this for rising prices.

The annual report suggests that the rising target of return on capital would add 2 per cent to the average level of charges in 1982-83 and is forecast to add a further 4 per cent by 1983-84.

Water consumption in England and Wales fell last year for the first time in the post-war period, apart from the year of the drought in 1976.

The council believes that water consumption patterns are changing because of greater conservation measures by companies and the more than average decline in heavy water

Early figures for 1981 suggest that water consumption is continuing to fall with water demand down 3 per cent in the first four months of the year compared to the same period in 1980.

The report highlights the need for substantial replacement work on the nation's underground water and sewage works.

Sir Robert Marshall, the council chairman, described conditions in the North-West as "very dicky" with subsidence and collapsing sewers every couple of weeks. In the North-East there have also been complaints about the quality of water as the unlined water pipes in the area give way.

Sir Robert said that the water industry, unlike other industries, could not respond to the current financial stringency by reducing the services it provided.

During 1980-81 revenue expenditure of the 10 water

authorities was up 17 per cent to £28m which was met by balances. Capital investment was £693m, an increase of 14 per cent over 1979-80 but 11 per cent down in the volume of construction; £350m was spent on replacing existing plant.

The 10 water authorities in England and Wales reduced their staff by 1.3 per cent in the year ending March 31, 1981. The total number employed was 62,620.

Plans submitted by the water authorities in February for further capital spending propose a gradual increase of 14 per cent in real terms over the period 1985-86 and the council points out that current capital allocations are 20 per cent less in real terms than what was spent in 1978-79.

The council, at the launch of its report, appears to be the argument of critics who have complained about the size of some of the water authorities and the resulting unwieldiness.

## One North Atlantic airline 'must go'

By Arthur Sandles

DISASTER awaits one of the four major carriers of air traffic between Britain and the U.S.—British Airways, Pan Am, TWA or Laker—according to the biggest tour operator on the route, the Associated Communications subsidiary Jetsave.

Mr Reg Pycroft, Jetsave's chairman and managing director, talked yesterday of "major marketing" as fares tumbled in a battle for custom. "There is not enough traffic for four, there is only enough for three. I think that someone will have to go. Who that will be is not for me to say."

Jetsave, which is part of Lord Grade's leisure empire, reckons that North Atlantic holiday traffic will remain healthy but not show any appreciable growth in 1982.

Several tour operators that failed to get a strong foothold in this now fiercely competitive market in 1981 will drop out or reduce their programmes in 1982, so Jetsave expects to increase its market share from 20 per cent this year to 23 per cent next, it argues.

Jetsave estimates that the total package tour market to the U.S. will be 270,000.

## Krieghoff Moose sells for £85,000

A painting by the 19th-century Canadian artist Cornelius Krieghoff, *Hunters Shooting Moose in Winter*, sold for £85,000 at Christie's Kensington yesterday.

## SALEROOM

By Antony Thorncroft

day, an auction record for a Krieghoff. It was the highest price paid in the Old Brompton Road saleroom.

The vendor was Lady May Abel-Smith, and the buyer the Canadian dealer Blair Lang, who bought another Krieghoff, *Near Lake Laurent*, for £13,000.

At Christie's New York the Cheney Wells collection of paperweights sold for £72,218, with a top price of £9,016 for a Mount Washington Glass Company magnifying glass, Spink of London paid £23,778 for a Baccarat butterfly and wheelflower weight.

Fewer passengers using Heathrow

The number of passengers using Heathrow airport, the busiest international airport in the world, is continuing to drop.

British Airport Authority figures out yesterday showed that in the past 12 months, the number of passengers, at 26.44m, is down by 4.5 per cent.

The figures are bound to give ammunition to the opponents of Stansted airport in Essex, now the subject of what could be a year-long public inquiry.

## BSR workers say No to short time

Workers at BSR factories in the West Midlands, faced with major manning reductions, are calling for redundancies rather than short time. Many believe they will be better off receiving State benefits.

BSR said no decisions had been taken on the number of voluntary redundancies it would require at the record-changer factories, but called for a substantial reduction in the workforce, which unions believe will lose 1,600 jobs.

## Tube relieve

THE EPPING-TO-ONGAR section of the Tube has been relieved a few days before it was to be cut to a skeleton service. This follows an announcement of a £20,000 subsidy from Epping Forest District Council. Blake Hall Station will still be closed.

## Concorde future resolved today

By Michael Donne in Cannes

THE FUTURE of the Anglo-French Concorde supersonic airliner is likely to be settled in London today at a meeting of the two ministers in charge of the project.

Mr Norman Lamont, Minister of State for Industry, will discuss the project's options with Mr Charles Fiterman, the French Minister of Transport.

These range from cancellation of the venture—a course considered unlikely—to a continuation of the subsidy paid by the two governments on spares support for the aircraft in airline service, or some restructuring of that financial burden, passing it back to the airlines.

British Airways and Air France want to continue flying Concorde because of the prestige this brings them in the difficult North Atlantic market.

BA, with seven Concorde in service, has two flights every day to New York and three a week to Washington. It makes a small overall profit on those operations, with earnings on the New York route offsetting losses to Washington.

Air France also has seven Concorde, and flies them from Paris to New York, Washington, Mexico City, Rio de Janeiro, Dakar and Caracas. It loses about £4m a year on these operations.

Both airlines rely on continued government financial support for the spares they need to keep the services going. Each government spends up to about £20m a year on buying spares from the manufacturers, British Aerospace and Aerospatiale. They have made no secret that they would like to get rid of this burden by passing it back to the airlines.

The airlines say that if they are obliged to pay for their spares they could not afford to fly Concorde.

Suggestions that the French Government wished to abandon Concorde—based on a reported conversation by M Francois Mitterrand, the French President—have been vigorously denied. But the French Government is believed to want to see some diminution of its financial burden.

Senior executives of the two airlines who have been attending the annual meeting of the International Air Transport Association at Cannes have privately expressed their confidence that the two governments will find some way to continue the venture.

There is no possibility of the aircraft ever recovering its development costs. The two ministers have to consider whether the continued cost of supporting Concorde in service is justified.

## GLC fares cuts in High Court hearing

By Robin Pauley

THE Greater London Council had treated ratepayers like a milch cow—a bottomless well of funds to pay for transport fares cuts, the High Court was told yesterday.

Mr David Widdicombe QC, appearing in the Queen's Bench Divisional Court for the Conservative-controlled outer London borough of Bromley, which is asking for the GLC supplementary rate demand to be quashed. It is also seeking an injunction to stop the cheap fares policy which began on October 1, 1981.

Mr Widdicombe claimed the fares cuts policy was conceived without any appreciation or mention of the resulting loss of Government grant and was based on a misconception about the likely effect on traffic congestion through increased numbers of passengers.

Lord Justice Dunn and Mr Justice Phillips told lawyers representing Bromley Council, the GLC and London Transport that they were both London ratepayers and regular underground travellers. The lawyers said they had no objection to

the judges hearing the case.

Mr Widdicombe said the loss to the GLC of the new fares policy would be £61.4m in the first six months and £123m in the first full year.

The previous administration's policy resulted in a rate precept of 2.4p in the pound for public transport. The new policy took it to 13.5p this year and this would rise to 20p in 1983-83.

The result was that a ratepayer with premises valued for rateable purposes at £300 used to pay £7.20 towards public transport, was now paying £40.40 a year and this would rise to £60 next year.

"You may think these figures are quite staggering and it will be our case that a policy of deliberate loss-making on transport has been adopted at the expense of the ratepayers," Mr Widdicombe said.

If Parliament had intended London Transport to be run on social welfare principles and not business principles it would have said so, Mr Widdicombe said.

The case is expected to last for several days.

## Life insurance groups look at complaints system

By Eric Short

LIFE INSURANCE companies are considering a system of handling complaints from the public about their life assurance policies that would be completely independent of the companies.

The October meeting of life company members of the Life Offices Association this week instructed a working party to examine the possibility of co-operating with the existing systems of handling insurance complaints. A similar instruction was given by the Associated Scottish Life Offices.

There are two systems of handling insurance complaints by the public. Earlier this year three insurance groups set up the Insurance Ombudsman Bureau under Mr James Haswell, a lawyer, as "ombudsman."

He operates independently of the insurance groups which are members of the bureau under the guidance of a council headed by Mrs Joan Macintosh, vice-chairman of the National Consumer Council.

The bureau handles life and non-life complaints, but the majority of complaints so far received relate to non-life personal contracts.

Membership of the bureau is open to all insurance groups, but only 11 groups are mem-

bers, including the founder groups.

Other insurance groups have set up an alternative system with the Institute of Arbitrators, known as Personal Insurance Arbitration Service.

Essentially this refers unresolved disputes over claims to an independent arbitrator.

When the Institute of Arbitrators was launched, many life companies considered that it was irrelevant to the needs of life assurance consumers and that companies could handle any complaints adequately.

Other companies thought that there was a need for an independent system of handling complaints and that investigations should be made.

## Stamps to look into the past

SUBJECTS RANGING from the Boy's Brigade to prehistoric skulls, and from the theatre to motor cars will feature in a programme of special stamp issues for next year.

There will also be a special issue of two stamps to mark Information Technology Year.

## North Sea exploration drilling forecast to rise

By Martin Dickson, Energy Correspondent

OIL exploration drilling in the UK sector of the North Sea could rise over the next few years to the same high levels as the mid-1970s, according to a new report from brokers Wood Mackenzie.

But despite this growth there will be a sharp increase in the availability of drilling rigs over the next two years and a surplus is likely to develop—which should mean lower hiring costs.

In its annual survey of North Sea drilling, Wood Mackenzie could rise over the next few years to the same high levels as the mid-1970s, according to a new report from brokers Wood Mackenzie.

Nevertheless, the oil industry is hoping to drill considerably more wells in UK waters in 1982 and 1983 than over the past few years, and if these targets are met drilling levels should rise to match those of the mid-1970s.

The report estimates that demand for rigs in the British

and other sectors of North Sea will rise from 54 units in 1980 to 66 in 1985.

Potential supply will increase from 57 last year to 80 in 1985 because of increased construction. A rig surplus could develop as early as next year, increasing towards the mid-1980s.

This surplus should lead to a weakening in rig hire rates which have risen from a low point of \$15,000 (£8,250) a day in 1978 to \$90,000 a day by the end of last year.

Wood Mackenzie says oil price increases in 1979 and 1980 have helped restore UK drilling to some of its former glory and a number of discoveries have been made which must have boosted morale.

The recent seventh round of offshore exploration licensing has opened up new acreage which will generate extra drilling activity.

But one of the major negative influences on drilling over the past few years has been the UK's repeated tax increases, the report adds.

## Thornville Industry taken over by Swedish group

By Lorne Barling

SAPA, the Swedish based aluminium extrusion manufacturer, has extended its activities to building products with the take-over of the Thornville Industry group. It is likely to make more acquisitions of aluminium-user companies soon.

The take-over follows the recent completion of a £3.75m investment by SAPA in a new aluminium-pressing and anodising plant near its Tibshelf, Derby, headquarters which produces high quality products for the building market.

SAPA has a UK turnover of about £15m a year. This is about the same as the four operating companies in the Cheltenham-based Thornville group, which makes aluminium doors and windows in kit-form for the building trade, window hardware and foil container caps.

Mr Peter Jones, SAPA managing director, said yesterday the acquisition would give his company a good return in a field where the group had experience. Further acquisitions of profitable companies were planned. The cost of the Thorn-

vile take-over was not disclosed.

"We hope to become a major supplier to Thornville of anodised extrusions, but strictly at market prices. The company will continue to operate autonomously, under its existing managing director, Mr Max Mines," Mr Jones said.

The UK extrusion industry had suffered seriously from lower demand since the start of the recession. Mr Jones said SAPA was moving into higher added-value activities, maximising its investment in its modern production facilities.

Thornville's operating companies are Monarch Aluminium, Consort Aluminium, Securistyle and R Chadwick of Bury, Lancs. The group as a whole increased its turnover in recent years and had been consistently profitable, Mr Jones said.

About 20 per cent of SAPA's output goes to the building industry. A further 20 per cent goes into standard aluminium sections. The rest goes into diverse industries such as commercial vehicles and ladder manufacture.

## Britain to build search base in Antarctica

By David Fishlock, Science Editor

BRITAIN is to build a new research base in Antarctica, to replace HMS Shackleton, its biggest research vessel, within the next three years.

These were among several major items of capital expenditure foreshadowed yesterday by Sir Hermann Bondi, chairman of the Natural Environment Research Council, called the "outdoor science."

Sir Hermann said his council had gone out to tender this autumn for the Shackleton replacement, mainly used in support of university research in ocean sciences.

He hoped the council would place a contract this winter for

a new research vessel to enter service in about two years. Shackleton was the most intensively used of the council's four research vessels last year.

He hoped that the Shackleton replacement could be built to the council's "very precise specification" for about £4m.

The council's research base at Halley, on an ice shelf 75 degrees south, is to be replaced early in 1983, at an estimated cost of £1m.

This will be the third time Halley—with a staff of about 25—has been built. Heat emanating from the oil-heated camp has caused it to sink about 30 feet into the ice.

site, some 15 miles from the present one, and plans to ship the base out at modules next autumn.

Another major item of expenditure would be about £3.5m for new buildings over the next three years.

The council spent £72.9m last year, of which two-thirds came from the Government's science budget and one-third from research contracts.

Like most publicly-funded organisations, the council faced economic problems, "for the science budget was 'at best steady.' However, 'anyone who is not short of money is short of ambition,'" Sir Hermann

said he had no wish to head an organisation that was short of ambition.

The council is providing the Government with a framework of scientific advice for its policy on the management of seals, including seal culling.

The latest call, ordered by the Government to take place in Orkney, is meeting strong objection from environmentalists.

Sir Hermann said the main pressure on the Government for culling came from the fishing industry, and the council was trying to quantify more accurately the effects of seals on fish stocks.

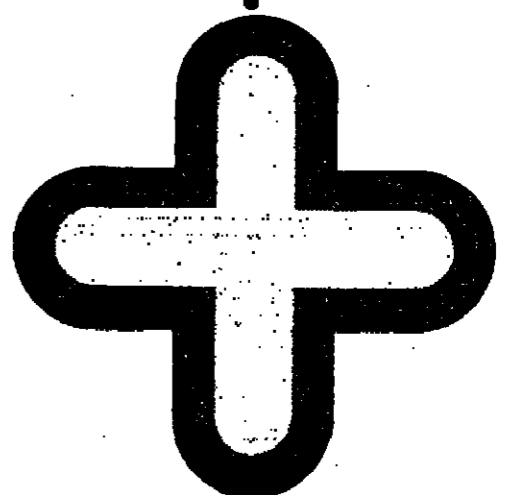
During 1980 it carried out research funded by the European Communities on the energy requirements of British seal populations. It also studied the interactions between grey seals and fisheries for the Ministry of Agriculture and Department of Agriculture in Scotland.

It had advised the Government of one case it had found, in the Farn Islands, where seals had destroyed the breeding grounds of puffins. The seals had eroded the soil cap—"because they are heavy and stupid," a senior council scientist commented.

Annual report of the Natural Environment Research Council 1980-81, SO, 44.

## ADVERTISEMENT

# Addaptable



## UK NEWS

## Team from the City to study urban renewal

By Robin Paulley

THE Government yesterday announced the team of 25 managers from major financial institutions who have been seconded to the Environment Department for a year to try to develop ideas for urban regeneration.

Six of the team are drawn from banks, seven from building societies, seven from insurance companies, three from pension funds and one each from British Steel and British Railways.

Their secondment follows a request for help by Mr Michael Heseltine, Environment Secretary, during his stay on Merseyside after the summer riots.

## Sympathetic

Mr Heseltine said yesterday that after a period studying urban problems in Britain the team will go to the U.S. to see how the private and public sectors have co-operated to revitalise rundown areas in major American cities.

One major difference between Britain and the U.S. is that such private sector involvement in urban projects in America is allowable against tax. In Britain it is not, although the Treasury has said it is "relatively sympathetic" to the idea.

When they return to Britain, small groups from the team will focus on issues of particular importance in British inner cities: access to finance for small businesses, the operation of current urban programmes particularly in relation to training and employment, prospects for forms of joint ventures between public and private sectors, financial mechanisms relating to improving the housing stock and new forms of tenure, and special factors restraining development or redevelopment schemes.

## Music industry fights home taping

By James McDonald

BRITISH RECORD and tape manufacturers, the Musicians Union and organisations representing composers, song writers and publishers have joined forces in a new campaign to persuade the Government to impose a levy on blank audio recording tapes and equipment.

The campaign, which started yesterday with national Press advertisements, will be backed with the sale and distribution of T-shirts and badges with the theme "Home Taping is Killing Music—And It's Illegal."

In a Green Paper on copyright published in July the Government rejected calls for a levy on audio and video recording equipment and blank tapes.

aimed at compensating the record industry for lost sales through illegal home recording. For the first time the British Phonographic Industry organisation—representing most manufacturers in the £250m a year audio record and tape industry—is joining forces with the Musicians Union and the Mechanical Rights Society and Mechanical Copyright Protection Society representing composers, songwriters and publishers, to persuade the Government to change its mind.

Top recording artists from "pop" to opera are backing the campaign.

At a London Press conference yesterday Mr Chris

Wright, chairman of British Phonographic Industry and co-chairman of the Chrysalis group of companies, said: "Our industry seeks equitable remuneration for the damage done by unauthorised home taping."

"The only practicable solution is a levy on tapes and equipment—the size of which would be assessed by an independent body and approved by Parliament."

The second stage in the legislative procedure following the consultative Green Paper would be the publication by the Government of a White Paper, said Mr Wright.

"At the moment we have no idea when this might occur, although it could be as early as next spring. But what is clear is that we are going to have to re-double our efforts at both Parliamentary and public levels to persuade the Government radically to change its whole approach to the in-home taping problem."

Mr John Morton, general secretary of the Musicians Union, said: "Home taping is destroying the base of the recording musicians' profession. This not only means unemployment for musicians, it deters promising young performers from joining the profession."

## Texas Instruments plans plug in microchip

By Alan Cane

TEXAS Instruments, the world's largest supplier of microelectronic components, is trying to make it easier for industry to use its products.

An ambitious plan, unveiled in London yesterday, includes a family of microchips that can be plugged together like building blocks and a network of specialist companies across Europe, potentially several thousand strong, to help traditional industries benefit from new technology. A similar appraisal is being taken in the U.S.

Mr Peter van Cuylenburg, its European general manager for micro-systems and a principal

architect of the plan, said all semi-conductor manufacturers faced the problem of selling cheap, powerful hardware to industries with little experience of electronics.

"There are some 20,000 to 30,000 potential users of our products across Europe in well-defined industries such as fishing and food and drink with no expertise in microelectronics, he said."

Texas is establishing a network of organisations with both specialist knowledge of individual industries and the experience with Texas products to devise solutions to industrial problems.

## NatWest lifts loan limit

NATIONAL WESTMINSTER Bank is boosting its term lending facilities for small businesses and farm development loans from £100,000 to £250,000.

The bank has made over 50,000 business development loans since it launched its service for small companies in 1971. £400m. Between 2,000 and 2,500 new loans are being granted each month totalling £35m.

In addition, the bank has approved nearly 200 loans totalling £6m under the Government's loan guarantee scheme for small businesses, since the scheme started earlier this year.

Under the scheme, customers can borrow upwards of £2,000 for periods of up to 10 years. A five-year secured loan carries a current effective interest rate of 15.9 per cent and a 10-year loan carries an effective interest rate of 15.5 per cent.

## France joins Hoverspeed

THE FRENCH railway network will take a 10 per cent share in Hoverspeed, the cross-Channel hovercraft company created by merger of Swedish-owned Hovlo and British Rail's Seaspeed.

Hoverspeed began operations a few days ago, following the Government's agreement to the merger after approval by the Monopolies and Mergers Commission.

The French will contribute

one hovercraft to the Ramsgate-based operation. Modifications costing £3m will be needed first.

This means the SNCF will not have any operational involvement until after next year. Seaspeed formerly operated in partnership with SNCF.

Mr John Cumberland, Hoverspeed's chief executive, hopes profits of £4m before depreciation can be made in its first year. Seaspeed and Hovlo made losses last year.

## North-West economy 'is still declining'

By Nick Garnett, Northern Correspondent

ECONOMIC ACTIVITY in the north-west is still declining, although at a slower rate than earlier in the year, according to a survey published yesterday of 100 medium-sized and small manufacturing companies.

The prospect of an early recovery has been destroyed by the recent rise in interest rates, the Manchester Chamber of Commerce and Industry says in its latest quarterly report.

The number of companies reporting a downward shift in home and export orders has fallen, while the number reporting a rise in export orders and deliveries remains static.

The low number of companies operating at full capacity has also remained stable. But there has been a slight improvement in the number of companies moving up to between 70 and 90 per cent production.

The survey, of one of the country's principal manufacturing areas, is the third in a row to show a slowing in the rate of decline. In addition, it indicates that modest stockpiling might be under way.

The rate of redundancies is also slowing down. But the number of companies expecting to increase their recruitment "are pitifully small and do not indicate any immediate improvement" in unemployment, the report says.

Business confidence remains the same as in the previous two quarters, and indicates uncertainty about an early recovery.

"Some of the respondents in specific industries, such as textiles, experiencing considerable decline, do not see any early signs of any economic recovery, and are still in an extremely disturbing and difficult situation."

## Regional CBI chief attacks Government

By Nick Garnett, Northern Correspondent

THE GOVERNMENT was described yesterday by the chairman of the CBI's North West regional council as "the most disastrous of our generation."

In an interview sharply critical of the way the Government has handled its own policies, Mr John Tavaré, who is also chairman of the Whitecroft industrial group, said he believed the Government's ideas were sound, but its application has been pathetic.

"Their simplistic view via monetarism has led to this enormous burden on the manufacturing sector."

Mr Tavaré was making some personal observations which are not shared by many members of the CBI's North West council. However, officials of the CBI in the region believe some of his attitudes—although not necessarily the way he expresses them—reflect much of the thinking among manufacturers in the region.

They also indicate in advance of the CBI conference next week, a strength of feeling about the erosion over the past few years in the industrial base of the North West. The position in the region was "very gruesome", Mr Tavaré said.

He made it quite clear that he was not seeking any U-turn in Government policies but a change-of- "big" to encourage UK manufacturing.

"That would involve action on interest rates, energy pricing, the National Insurance charge and on promoting further public sector investment."

Mr Tavaré agrees with the broad thrust of national CBI policy, of creating the right framework for making British industry more competitive.

But he also says that much of the CBI establishment was trying to "dress and quiten" Government's adverse criticism of the Government.

There was a "lack of drive" among members to persuade the Government to change its policies.

Part of the "stagnant" attitudes resulted from the fact that industrialists had not done all they could to help themselves, but the "stagnant" environment was a "stagnant" environment.

They have understood our manufacturing base on which our future development is based," he said.

## Postal banking extended

By Rosemary Burr

WESTERN TRUST and Savings, the Plymouth-based subsidiary of the Royal Bank of Canada, is launching a postal banking system.

Mr Mike Priestland, managing director, said: "Although we are continuing with the expansion of our branch network—it has become clear that some members of the public prefer to handle their financial affairs at arms length. We are now giving these people the opportunity to do just that."

Western Trust says customers can transact all their banking business by post, phone or at one of the bank's 25 branches which are open six days a week from 9.15 am to 5.30 pm on Monday, Wednesday and Friday, 9.15 am to 5.30 pm on Saturday.

Western Trust, which has about 2,000 customers, has retained its existing offices in Plymouth, calls Walscott Place. There are 17 different services, including a current account which pays 2½ per cent interest on balances and which charges the customer 10p per withdrawal. In addition, there is a new money market account for customers with at least £10,000. This is a one month fixed rate deposit of 3 per cent interest, inter-bank rates.

**Johannesburg Consolidated Investment Company Limited**

INCORPORATED IN THE REPUBLIC OF SOUTH AFRICA

**Chairman's Review by Mr G. H. Waddell**

The Annual General Meeting of the Company will be held in Johannesburg on 9 November 1981 at 12 noon

The profit after taxation attributable to ordinary shareholders for the year to 30 June 1981 (excluding the net surplus on realisation of assets of R0.2 m) at R97.3 m was the highest yet achieved. Earnings per share of 1.373 cents were 35.5 per cent above the comparable figure of 1.016 cents in the previous year. Ordinary dividends for the year were increased by 26.3 per cent to 600 cents per share.

There were significant increases, in dividend accruals which rose by R15.8 m or 28 per cent to R72.2 m (1980: R56.4 m) due mainly to the higher dividends received from the Group's interests in The South African Breweries, platinum and gold and to which I refer later; in net interest earned at R10.1 m (1980: R2.2 m) as a result both of the higher cash balances held throughout the year and the higher rates of interest which prevailed, particularly in 1981; in the profits attributable to the Group from Lenning Holdings and Tavistock Collieries at R16.7 m (1980: R13.1 m). The latter, in which the Group previously held 50.2 per cent, became a wholly-owned subsidiary on 22 June 1981, and the whole of its profits have therefore only been attributable to the Group from that date.

Cash receipts during the year amounted in the aggregate to R109.1 m. These came from dividends of R76.3 m (which include the dividends received from Tavistock and Lenning), realisation of investments of R9.1 m, from sundry revenue, fees and interest of R21.2 m and R3.5 m from an issue of shares to employees in terms of the share incentive scheme. Expenditures of R133.6 m were incurred; new investment absorbed R60.8 m and included the additional investment by the Group of R45.3 m to acquire all the shares not previously owned by it in Tavistock Collieries; R50.2 m was distributed in dividends to preference and ordinary shareholders; R6.3 m and R7.1 m was spent on exploration and research and on fixed assets respectively. The financial position of the Group remains satisfactory and at 30 June 1981 cash resources of R31 m were available for new business opportunities.

## COAL

There were a number of important developments within this sphere of the Group's business during the year. On 23 June in terms of a Scheme of Arrangement, Tavistock Collieries became a wholly-owned subsidiary at a cost to the Group equivalent to R35 per share held by the minority shareholders. This will now allow the Group to develop to its best advantage all the various coal rights owned by it without fear of any possible conflict of interest that might have arisen previously with the minority outside shareholders in Tavistock. The timing may well prove to have been fortunate as your Group has applied for, and hopes to be granted, permission by the Minister of Energy and Mineral Affairs to export a significant quantity of coal, as and when he announces the allocations for the next phase of expansion in terms of the recent decision by Government to raise the level of annual exports of coal from the Republic from 44 m tons to 80 m tons by the end of the decade. If this hope is realised, it would seem to be only just, since the Group itself and Tavistock, through its 13.4 per cent participation in the trade of the Transvaal Coal Owners Association (1923) (Pty) Limited, have made a significant contribution for many years to the country's domestic coal requirements and indeed Tavistock expanded its capacity in 1977 in response to an appeal from Government to meet an anticipated increase in domestic demand which has not yet materialised.

Earlier in the year Tavistock entered into an agreement with Total Exploration South Africa (Proprietary) Limited (TESA), in terms of which it will come in time to share equally with TESA in the export of 1,250,000 tons of coal per annum for a period of thirty years. TESA in turn bought from Tavistock for R12.7 m, a fifty per cent undivided interest in certain coal rights and mining facilities at the new Arthur J. Taylor Section of the Tavistock Colliery. Until exports commence under the third phase of the expansion of the facilities at Richards Bay, which is expected to occur in mid-1983, the joint Tavistock/TESA entity will participate in the inland market sales of the Tavistock group to the extent of up to one million tons per annum out of expected total sales by Tavistock of some 4.3 million tons per annum. Exports with TESA should, as I have said, commence in 1983 and build up to the rate of 1.25 million tons per annum in 1985/86. As and when that level is reached, significant benefits should accrue to Tavistock not only through the higher prices it is hoped to achieve on the export market, but because the higher level of production will allow a significant reduction in the operating costs that would otherwise have prevailed at each of the Tavistock, South Wilbank and Phoenix Collieries.

Considerable emphasis has been given during the year to expanding the Group's coal reserves both within Tavistock and elsewhere within the Republic. The results to date have on the whole been encouraging and this is particularly true at Phoenix where the potential now exists for an open-cut mine using modern techniques. Suffice it to say that the Group is now better placed to look for new coal business either for the export or domestic market and I am hopeful that coal will in time provide a larger share of our income in excess of the increase which will arise from the acquisition of the balance of Tavistock.

## DIAMONDS

During the year the dividends received from the Group's interests in the diamond industry increased to R16.7 m from R15.3 m in the previous year. This represents 26.5 per cent of the Group's income from mining and as such is a major source of investment income. The Group's major interests are in various undivided diamond trading companies of the Central Selling Organisation (CSO); it also holds shares in De Beers Consolidated Mines Limited. That company has announced that due to a reduction in demand for rough diamonds, sales by the CSO in the first six months of 1981 fell by 40 per cent to U.S. \$940 m as compared with the same period in 1980.

## GOLD AND URANIUM

The average price of gold for the year was \$367.98 (R441.77) per ounce as compared with \$476.44 (R583.00) in the previous year to 30 June 1980. Both The Randfontein Estates Gold Mining Company, Witwatersrand, Limited and Western Areas Gold Mining Company Limited paid substantially higher dividends at 1.100 cents and 120 cents for the year ended 31 December 1980. Subsequently both companies have paid reduced interim dividends of 350 cents (1980: 450 cents) and 20 cents (1980: 40 cents) for the six months to June 1981. Subsequently the price of gold fell below \$400, though it has since recovered to its current level of \$443.75 (16 October 1981). In addition, the decline in the average price for the first nine months of this calendar year to \$473.08 (R589.86) has been ameliorated to a degree by the decline in the value of the Rand in relation to the dollar.

Both of these mines are in the midst of substantial capital expenditure programmes, both to maintain and augment the ore reserves available to them. This will occur at Randfontein when the Cooke No. 3 Shaft is commissioned where full production is expected in 1986. At Western Areas the commissioning of a 45 m vertical shaft should occur later this year while work is also continuing on the sinking of the SV2 sub-vertical shaft in the South Section and will be followed by the deepening of the SV3 shaft to 95 level. These ore reserves are of a grade higher than those at present mined from the North Shaft of the mine.

It is extraordinarily difficult to predict with the necessary confidence the future price of gold in the light of all the factors which impinge upon it but it is, as seems probable, it rises in a sustained manner, then the substantial additional ore reserves that will become available at both Randfontein and Western Areas will be of great importance because of the greater flexibility they will allow mining operations.

Further evaluation of the possibilities of the areas immediately to the north-east of Randfontein's Cooke Section and to the south of Western Areas continues and no decisions have as yet been made, though it may be that a higher and sustained gold price will be required.

The uranium market worsened during the year reflecting the excess of available supplies over demand and it appears likely that this imbalance will persist in the years that lie immediately ahead. At Western Areas the erection of the uranium plant to treat 100,000 tons of ore per month has reached an advanced stage and indeed it should be commissioned before the end of this calendar year. Deliveries in terms of the long-term contract held by Western Areas are only due to commence early in 1983. At Randfontein's Cooke uranium plant the production difficulties have been overcome though some work still remains to be done to improve plant efficiencies.

## PLATINUM

During its financial year to 31 August 1981, the net operating profits from sales by Rustenburg Platinum Holdings Limited were R266.2 m as compared with R273.7 m in the previous year. Ordinary dividends paid were increased by 12.5 per cent to 45 cents per share.

The drop of 2.7 per cent in its net operating profits arose from the fact that sales of platinum were significantly and adversely affected in the last quarter of Rustenburg's year when the free market price for platinum was not unexpected as the high rates of interest in the United States of America, particularly but also elsewhere, have both discouraged investment and speculative demand and held back any rapid recovery from the current recession in the automobile industry in that country. Other industrial demand remained generally steady and there has been in the first seven months of this calendar year a notable recovery in the level of imports into Japan.

The commissioning of Mathey Rustenburg's new base metal refinery at Rustenburg has already started and the official opening was held on Tuesday 13 October. This new refinery has been erected to treat all of the base metals produced as by-products by Rustenburg and year, a significant reduction in the refining cost per ton of metal should be realised.

## INDUSTRY

Apart from Consolidated Metallurgical Industries Limited (CMI), the Group's industrial interests, which include Lenning Holdings Limited and substantial portfolio investments in The South African Breweries Limited, Argus Printing and Publishing Company Limited and Toyota South Africa Limited, had an excellent year. Excluding CMI, which has yet to declare a dividend, their contribution to Group income continued to grow in importance and in the aggregate at R26.1 m showed an increase of 60 per cent on the previous year.

The South African Breweries Limited produced excellent results for the year to 31 March 1981. Earnings per share rose by 61.6 per cent to 54.3 cents per share and the dividend increased by 63.8 per cent to 27 cents. Dividend income to the group on its shareholding of just in excess of 20 per cent amounted therefore to R11.8 m and this can be expected to increase further this year, though understandably at a slower rate.

Lenning Holdings Limited also had a very good year when earnings rose to R10.4 m. The income attributable to the Group as a result rose by 34 per cent to R9.8 m from R7.3 m in the previous year. At the end of the year, Lenning acquired the Beeswater-De Plois Group which is based in Pretoria and whose main business lies in the forestry and engineering sectors. As such, it is complementary to Lenning's own business and Beeswater-De Plois should make a significant additional contribution to the Lenning group profits.

Consolidated Metallurgical Industries (CMI) had a very difficult year as the recession in the stainless steel industry on which it is mainly dependent spread from the United States of America in the second and third quarters of 1980, first to Europe and subsequently to Japan. As a result CMI cut its production during the year. There has since been a modest recovery in the production of stainless steel within America and it is hoped that Japan will follow suit shortly.

## BASE METALS

The Group has a 25 per cent interest in Consolidated Murchison which had a very difficult year; since the demand for its principal product, antimony fell severely. Profit after taxation fell to R1.5 m for the year 31 December 1980 (1979: R7.6 m) though it recovered somewhat to R1.7 m for the six months to 30 June 1981. Action has been successfully taken to maximise gold production and gold now makes a significant contribution to revenue and profit.

Shangani Mining Corporation, which mines nickel in Zimbabwe, incurred a loss of R2.2m as compared with a profit of R2.2m in the previous year. This reflected the higher costs per ton of nickel which were experienced at a small scale of the closure of the open-pit operation and the subsequent fact that there was a slower than anticipated build-up of tonnage of ore from underground.

Shangani has been managed since 1978 by Anglo American Corporation of Zimbabwe (Amzim). Amzim also manages three other nickel mines in Zimbabwe and a refinery at Bindura which it enlarged in order to be able to treat concentrate from Shangani.

The Board of Shangani has now announced that it intends to recommend to its shareholders that they approve a scheme of arrangement which will result in the purchase by Bindura Nickel of the mining assets of Shangani in return for shares in Bindura Nickel. In terms of the proposed agreement, Bindura Nickel will assume the whole of the responsibility to provide the future financial requirements of Shangani, though the Group will continue to guarantee its share of the present loans from third parties.

This seems to me to offer a sensible and satisfactory outcome for all the interested parties and to give each party what it would not have been able to achieve if Shangani had continued as hitherto. The Group has in recent years made full provision against both its investments in and loans to Shangani and there should therefore be no material impact on its accounts in the current financial year.

Bumbe Corporation Limited (Bumbe), in terms of the agreement reached in December 1980, has acquired an interest of 70 per cent in the mining assets of Ouphas Mining Company Limited. The mine which has restarted production is now run as a joint venture under the management of Bumbe. Full production, however, due to the additional development being carried out, will not be reached before April 1982.

## PROSPECTS

The outlook for the South African economy has changed significantly since last year. The combination of lower gold prices, high interest rates and recession in the major developed industrial economies is likely to allow a real growth rate of only some three to five per cent compared to the admittedly exceptional rate of eight per cent last year. Confidence can be drawn from the fact that this would still be considerably better than most other countries, but the real cause for concern lies in the figures for real private consumption expenditure per capita (which measures changes in standards of living) from 1975 to 1981. Despite the increase of 6.4 per cent in 1980 and the likely increase of 2.5 per cent in 1981, the compound rate of growth over these eight years will have been less than one per cent per annum, nor are the present prospects encouraging for 1982. For most countries that leaves a great deal to be desired, but particularly so in our case, where the disparity in incomes is so wide.

The real impediment to sustained high growth is the failure to turn to best account the human resources readily available to us and who are only too willing to improve their lot. The Group, in common with others, is moving towards the implementation of an integrated wage curve and considerable progress has already been made towards that objective. It is, however, important to realise that even when that is achieved (and on the assumption that all restrictions on the mobility of labour have fallen away which is a far cry from the present), the vast majority of our black employees will still, in practice, be denied the opportunity to move into higher positions since they will still suffer from the handicap of an inadequate education. That is the kernel of our problem and we can ill afford to continue to be preoccupied with time in acting to remove it. This is not something that business can or indeed should attempt on the scale required as it is properly the function of Government to take, though the private sector will continue as before in the past, to help. Until such action is taken, the shortage of skilled labour will continue to be a handicap to the making of the future economic performance that we could otherwise hope to achieve.

For the Group as for the country, in the absence of a recovery in North America, Europe and Japan and in the price of gold and other exports, it is likely to be a more difficult year.

## DIRECTORATE

Sir Albert Robinson resigned after a decade as Chairman and as an Executive Director on 1 January this year. During the time that he led the Group's business prospered and grew and the results this year are the best tribute to him. I am delighted that he has agreed to continue as a member of the Board.

Finally I would like to record the appreciation of the Board and myself for the work done by all members of our staff during the year.

Johannesburg

19 October 1981

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# BUSINESS BOOKS

## 'Under no management' would be more apposite

BY JOHN ELLIOTT

Under New Management, the story of Britain's largest worker co-operative by Tony Eccles. Published by Pan Books. £2.95

TONY ECCLES set out to write in industrial thriller when he began this story of the rise and fall of Kirby Manufacturing and Engineering. The KME workers' co-operative, instead of having produced an industrial and political horror story in which private sector corporations, their financiers, and their managers, appear no more favourably than the Labour Movement activists who took the business over with Government money.

In particular, the KME story is a microcosm of the problems that Labour Governments face in governing, when beset by the demands of the Labour Movement. Throughout most of the story Labour Ministers and their civil servants reluctantly go through the motions of dancing to the tune of Jack Spriggs, the co-op's main shop steward and worker director. They never quite give him the performance he wants and refuse most of his demands for government cash.

Commercial reality seems to have played little or no part in the priorities of the people in charge of the co-op. From 1974 when it was set up at the instigation of Tony Benn, then

the controversial Secretary of State for Industry, until it was finally closed five years later, everything was played out in the world of politics. The harnessing of political support for the survival of the co-op was the primary aim — the need to produce goods that customers wanted was virtually ignored.

KME was the last of three co-ops aided by Tony Benn — of the others, the Scottish Daily News quickly closed while the Meriden motorcycle manufacturing business is still operating. It occupied a small part of a vast factory the size of five football pitches on the Kirby industrial estate outside Liverpool — one of the estates built with considerable government funds 50 years ago to breathe fresh life into decaying regions.

A lot of large companies commissioned spacious branch factories on such estates (many of which have closed in the current recession). The KME factory was built for Fisher and Ludlow (later Fisher Bendix), a subsidiary of the then British Motor Corporation.

The planners' dream that the factory would efficiently produce thousands of gleaming washing machines, refrigerators and Moulton bicycles foundered quickly after production started in 1981.

Clearly there were management and trade union problems. One of the failings of

the book is that Tony Eccles has not explored these problems, which is a pity since those events influenced what happened later when the old shop stewards became the co-op's worker directors. But there are some fascinating pages, albeit again too brief, about the factory owners' financial manoeuvrings when problems became too many.

Eventually the businesses moved into receivership and Tony Benn encouraged Jack Spriggs and his colleagues to ask him to support a co-op, instead of trying to gain help for conventional owners. Spriggs and the workforce had never before thought of founding a co-op which helps to explain why there was so little industrial democracy or co-operation in what happened later.

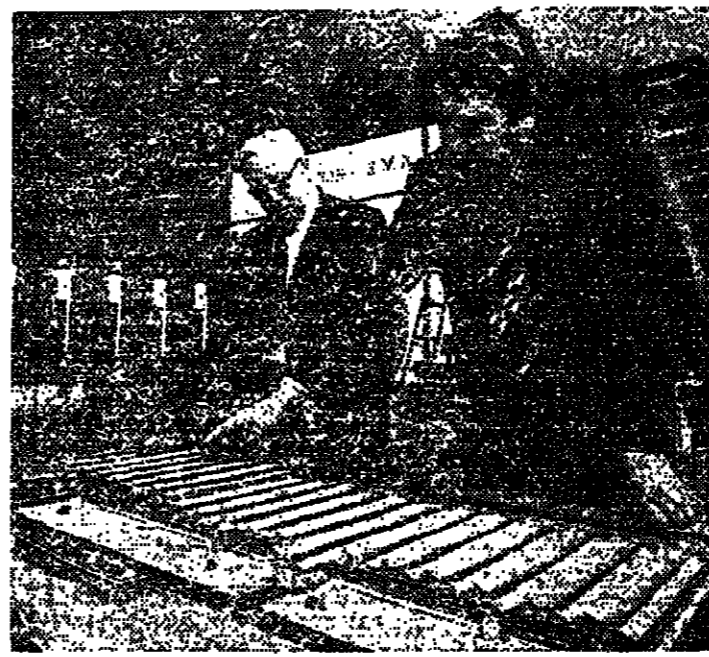
The creation of the co-op was strongly but unsuccessfully resisted in Whitehall, and it is arguable that the venture never recovered either from the legacy of being conceived by

Tony Benn or from the fact that its initial Industry Department funding was almost certainly inadequate.

As the co-op foundered from crisis to crisis — and Tony Benn was moved to another job — Labour's Left wing used it to embarrass the Labour Government. It involved a totally disproportionate amount of senior civil servants' and Ministers' time.

Spriggs emerged as an expert political tactician, alternately charming and infuriating those with whom he dealt. But while he moved in the world of Labour Party politics and the corridors of Whitehall, the co-op lacked both management expertise and employee involvement. Eventually it did the reputation of worker co-ops considerable harm.

Tony Eccles, a London Business School professor, had an unusual role of observer-chronicler during the years that he advised the co-op on management and tactics. He kept



The early days: Mr Jack Spriggs, of the AUEW (right) and Mr Dick Jenkins, of the TGWU, shortly after the two convenors had become directors of KME in 1975.

detailed records and the book (in which I figure as a journalist covering the story) is the result.

The main villain, as the book is written, is probably the Government — including the National Enterprise Board. But the main horror story is that so much effort should have been

wasted and that commercial reality should have been constantly swamped by political intrigue.

The book is a good, lively and informative read. The only thing that is seriously wrong is its title — it ought to be 'Under No Management'.

## A valuable aid to exploring accountancy development

BY BARRY RILEY

A Conceptual Framework for Financial Accounting and Reporting by Professor Richard Macve. Published by the Institute of Chartered Accountants in England and Wales. Price £11.75

ACCOUNTING is an art that all too often pretends to be a science. Accountants perceive that there is a tremendous demand for accurate financial numbers that will enable users to carry out a variety of tasks — to measure performance, to impose taxes, to choose between shares as investments, and so on. By satisfying, or appearing to satisfy, such requirements the accounting profession has become one of the highest paid in the community. At least in the Anglo-Saxon world (though in some other countries accountants are still treated as back-room clerks).

But the achievement of such an elevated status has imposed stresses on the profession. It needs to be seen to be serving the public interest — but in what way, and which sections of the public use accounts in any case? The threat of Government intervention grows more menacing. One seemingly attractive answer is that the profession should end its era of rough and ready pragmatism and turn to something called the conceptual framework.

It is in the U.S. that the pressure on the profession has been greatest. Accordingly, the U.S. Financial Accounting Standards Board has poured large resources into a conceptual framework project that has now been running for about eight years. Recently this project has been occupying about two-fifths of the effort of the FASB's staff, and that amounts to a substantial exercise given that the FASB's total annual spending is of the order of \$3m.

The activities in this field of the UK Accounting Standards

Committee have been comparatively cursory, but in 1973 the ASC did publish a discussion paper on the aims of financial statements called 'The Corporate Report' and now it has brought out the present volume by Professor Richard Macve.

Macve's brief was to review critically current literature and opinion in the U.S., UK and elsewhere. He was asked for views on the possibility of developing a conceptual framework for setting accounting standards. His opinions were sought on the nature of such a framework and areas for further research.

Some say that the conceptual framework is oversold by its advocates. Others argue that it is overbought by those who see it as an easy way out. Macve's study brings little comfort to those industrial accountants who think that such a framework can bring ready-made solutions to a series of thorny accounting problems. But it does a valuable job in exploring the ways in which accounting must develop in the future.

At the root of the problem is accounting's dual nature as a mixture of measurement and judgment. It is possible to bring a high degree of precision to the task of measuring, say, cash balances or past cash flows. But financial statements also embody judgments about the future. For example, asset values reflect assumptions about future earning power, and tax provisions depend upon views about future profits and capital spending.

An auditor can check numbers in the records, but can he decide whether a high technology company is justified in its views on the potential of an invention, or whether an insurance company's provisions are reasonable against all contingencies?

One way round this is the greater disclosure of the factors that have led to a particular

judgment, so that the user can come to a different view if he decides it is more appropriate for his particular purpose — such as comparison with a similar company. But this clashes with the spurious precision of financial statements whereby one number is given as the profit figure, and not a range of reasonable alternatives.

A kind of uncertainty principle seems to apply: the harder you look, the less precise the answer becomes. And the answer depends upon who the user is. Against this background it is no surprise that Macve finds incongruity. "It may seem strange," he writes, "that accounting has come to be regarded with such importance and that accountants' services are in such demand."

He answers this puzzle by pointing to the many functions which accounting performs — keeping track of resources, checking the honesty of subordinates, providing a basis for sharing out rewards and costs, giving an indication of management performance and so on. The discipline it imposes may be much more important than the precision of any figures it can produce.

Professor Macve writes clearly about a subject which could have been very opaque. It is no criticism that he comes to a slightly doubtful conclusion, which is that a conceptual framework for accounting should be regarded rather as a common basis for identifying issues, for asking questions and for carrying out research than as a package of solutions.

The search for the conceptual framework, in his opinion, can still bring rewards. It can highlight the importance of identifying the major areas where judgment is needed on questions of accounting policy. And it can stimulate inquiry into users' needs and how to satisfy them.

BY MICHAEL DIXON

The New Rational Manager, by Charles H. Kepner and Benjamin B. Tregoe. John Martin Publishing, £7.95

PSYCHOLOGIST Kepner and sociologist Tregoe have expanded their exegesis of rational management — which boils down to systematic procedures for analysing existing and foreseeable problems and for choosing courses of action — which they first published in 1965.

Then, amid a growing enthusiasm for managerial training, executives often seemed obsessed with a belief that if only they could find the right package of theory and methods, their work would become scientific and its success assured. Perhaps the most encouraging of subsequent developments in the field is that managers have largely lost this belief in panaceas.

The Kepner-Tregoe system has never been such a philosopher's stone. It consists of well wrought, simple step-by-step processes which can do much to reduce the confusion which commonly misleads management. Moreover, if the procedures are followed by all the executives in a big organisation, the method can no doubt improve the clarity of internal communication.

There is nothing new or exclusive to Kepner-Tregoe in this, of course. Military services have used comparable practices for years.

It is a pity therefore that the authors should present their system not as a saviour for some of the strains of management, but rather as a cure for all organisational ills. Executive work is never simple, and no good can come of pretending otherwise.

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AS OFTEN as not, it seems, the history of a great business corporation revolves around the personality of a single, dominating man. He tends to be bold, lucky, and a great opportunist. He is supported by loyal and self-effacing managers as well as adoring shareholders, but may well be distrusted by the financial establishment in the City. His control over the business will be all powerful, to an extent that calls into question its ability to survive after his passing.

Just such a figure was Sir Eric Bowater, builder of the Bowater Corporation. He is the star character in the latest admirable business history by W. J. Reader.

In the early 1920s, Bowater forced his way to the head of a small and comfortable family business—a paper merchant and agent which did little more than support the half dozen members of the family in upper middle class comfort. By the time of his death in 1962, he had built the group into the largest maker of newprint in the world, and had made it a market leader in a number of associated activities as well.

His ambitious expansion plans were to bring the group close to disaster after his death. But they also brought into being the paper mills in the southern states of the U.S. which are the backbone of the Bowater Corporation today.

The extraordinarily rapid development of Bowater in the years up to the mid 1950s was based on three special circumstances. One was the steadily growing demand for newprint

around the world, to satisfy an increasing hunger for news and advertising. The second arose from the fact that the price of pulp in Canada and Scandinavia was for most of the period falling faster than the price of newprint in the UK. Finally, British newspaper owners were still financially strong enough to be willing to pay rather higher prices for British-made newprint in order to keep a viable domestic producer in the market place.

These were conditions in which a bold entrepreneur could take enormous business risks. Time and again, Eric Bowater came close to stretching the company's finances to breaking point—only to be bailed out by rising demand.

In the early days, in particular, he took incalculable risks, playing off both Lord Rothermere (Associated Newspapers) and Lord Beaverbrook (Express Newspapers) in order to expand the business at a faster rate than would otherwise have been possible.

The hard of the parent company had no very high place in his scheme of things. Directors and senior managers, with few exceptions, were chosen and advanced by him as he saw fit. His personal ambition was brought into the business and moved very successfully into

general management. But he valued independent advice, and was prepared to pay for the best. He was also able to inspire great loyalty.

The move into North America was very much his baby. In 1925, the group had been brought to its knees by a sharp rise in pulp prices at a time when it was committed to supply newprint at a fixed price for two years. He developed a deep suspicion of the Scandinavian curlews and like other businessmen before him—notably W. H. Lever in the market for oils and fats—resolved to get control of his raw material supplies.

The chance came up to buy the Corner Brook company of Newfoundland from International Paper, Eric, ever the risk-taking opportunist, seized it with both hands. As well as a supply of timber, the acquisition brought with it a very large newprint mill. Quite unexpectedly, the group was launched into the North American newspaper industry.

But there was nothing casual about the move to the Southern U.S.—which was to be the group's salvation in the 1970s. Unlike many British businessmen after the Second World War, Eric was convinced that expansion outside the UK should come in the U.S., rather than the fast disappearing empire.

The southern states were not greatly favoured by newspaper manufacturers at the time. Yet timber there matures at a much faster rate than in Canada, and newprint consumption was starting to rise rapidly from a relatively small base. Eric saw the opportunity, and after a lengthy reconnaissance decided in 1951 that Calhoun, Tennessee, was to be the site of a major new mill.

In the mid-1950s, Eric was at



Sir Eric Bowater assumed total authority

the zenith of his power. His annual meetings became extravagant jamborees, to which thousands of shareholders would be ferried in special coaches, trains or — on one occasion — the group's newprint steamers. Bowater had become a vertically integrated combine active in every part of the paper industry, with a fleet of motor vehicles and ships (named after Eric's family) to transport its products around the world.

But the seeds of trouble had already been sown. The group was committed to a programme of major expansion, which could only be financed by steadily rising profits.

Conditions in the industry were changing. The UK, in particular, was heading for irreversible decline as the conditions which had encouraged the growth of newspaper manufacturing disappeared — probably for ever. And when the crunch came, it emerged that the UK plants were highly inefficient. A study in 1961 showed that Bowater's three UK pulp and paper mills were using 50 per cent more labour than Corner Brook, and were

also working a great deal of overtime. Eric's successors were saddled with the consequences of one of the few major miscalculations of his business life: the decision to expand the group's newspaper activities in the UK during the 1950s.

W. J. Reader passes quickly over the group's sorry decline in the 1960s, and the extraordinary decision in 1972 to acquire Ralli International, the trading group, at a cost of some £20m. The idea seems to have originated with Mr Jim Slater, and in some ways marked the low point of a period when large chunks of British industry were being shifted around like pieces in a game of Monopoly.

However Bowater has now pulled through to a new era, thanks to its solid assets in North America. And the basic characteristics of the business have not changed all that radically. Sooner or later, the group is going to decide to install new capacity in the U.S. When it does, the project will require finance and fair on a scale that might have made even Eric think twice.

## A window on the business world

BY IAN HARGREAVES

Moody's International Manual 1981. Published by Moody's Investors Service, 99 Church Street, New York NY 10007, price \$805, or from Moody's Service, 6-8 Bonhill Street, London EC2, price £435.

IT IS scarcely credible that within the past 40 years the world can have experienced the U.S. economic assault upon Europe and the Japanese barnstorming of the West without someone sitting down to write a comprehensive reference book on international business.

This, however, is the case, according to the producers of the Moody's International Manual, and so far as I can tell, they are right.

Even for Moody's, which now claims to have filled the gap, it was an on-again off-again project. It only won corporate approval at the beginning of this year, once advanced marketing effort had notched up the basic 600 sales reckoned necessary to prove the project viable.

The basic idea of the book is very simple: to provide data on 3,500 corporations in 95 countries. In each section there is also a handy digest of the main economic and debt statistics of the country itself.

American companies are excluded, so in order to have a comprehensive world picture, the customer would need to own, in addition to the international manual, the six U.S. Moody's directories, which cover industry, transport, finance, local government, utilities and the "over the counter" market, the latter giving information on companies whose stocks are not listed on the major exchanges. The cost of this formidable family of publications currently runs at \$4,189 in the UK, excluding the international directory which will sell for \$805 (£435) in 1982.

Moody's, a division of Dun and Bradstreet, the credit analysis company, hopes eventually to expand the international manual into a series of publica-

tions broken down along the lines of the U.S. manuals. Updates of the international manual will be mailed every fortnight, with information gleaned directly from companies and, for interim purposes, from international media, such as the Financial Times. The price includes updates.

For the growing number of American companies whose frontiers are international, the manual will be a boon, especially as it comes in a format they are used to and with Moody's reputation for accuracy. Moody's is known in the U.S. principally as a ratings organisation—that is, it determines the financial strength of a company or other corporation and decides what level of risk investors are taking in investing in that corporation's securities.

For non-Americans, the manual will be less compelling, unless used in conjunction with Moody's U.S. manuals or in conjunction with one of the rival U.S. agencies, such as that of Standard and Poor's.

The manual's section on Japan, for example, is less comprehensive than you will find in the Japan company handbook (published by Toyo Keizai Shinposha), but the individual entries are better than in the handbook.

Nor does the manual do anything to fill the information gap about the more shadowy great enterprises of the world. The section on Greece, for example, will not tell you much about that country's biggest industry, shipping. Greece, of course, does not have the U.S. Securities and Exchange Commission to prod out the information.

Two other things the manual does not do is to offer comment or analysis or provide series of statistics to enable the reader to do his own analysis. Two years is the maximum period of information covered in the financial tables.

But any work of this kind will have serious limitations. It is only to be hoped that this one does well enough in its first form to grow in dimension and character as it ages.

## A guide to employment law

An Employee Management Handbook—a practical guide on managing people and employment law, by John Bell. Published by the Engineering Industry Training Board and Stanley Thomas (Publishers), price £9.95

"I WAS very upset with Cliff, who has been with me for years, and swore at him. He's left and I don't think I have and certainly I don't want him to go. Can he insist that I've dismissed him?"

practical guide and could fill many an agony column in a personnel management magazine. In spite of the fact that the bulk of current employment legislation has now been in force for at least several years, there is substantial evidence that many employers—and employees—have little knowledge of their precise rights and duties. There is therefore still a market for detailed, accurate but not over-legislative guides, and this one has much to commend it in these respects.

A good deal of the book is presented in question and answer form (Cliff, incidentally, may have a case for claiming constructive dismissal and Jane is almost certainly correct about her right to attend the ante-natal clinic). But the guide by John Bell, a senior member of

the EITB staff, reaches into much wider areas than direct obligations under employment law. There are sections on recruitment, health and safety, redundancy, working with trade unions and—essentially in view of the book's origins—industrial training.

Although produced from within the EITB the handbook has an application far beyond the engineering industry. It includes short but useful bibliographies and guidance to further reading on each of its main sections, plus a comprehensive glossary of terms used in employee relations.

If Cliff and Jane can baffle their employer with expressions like cafeteria system, red circle and matrix management they will certainly get their rights.

Alan Pike

## Forecasts in doubt

Coal in Britain, by Professor Gerald Manners. Published by Allen and Unwin, price £9 hardback, £4.50 paperback.

The Nationalised Industries, by Dr Richard Pryke. Published by Martin Robertson, price £5.50.

The U.S. Coal Industry, by Martin Zimmerman. Published by MIT Press, price £17.50.

IT IS high time the National Coal Board carried out a comprehensive review of likely UK coal demand to the turn of the century, for its existing projections look outdated and very over-optimistic.

Nothing underlines this more clearly than a stimulating new study of the NCB's expansion plans by Professor Manners of University College, London. It was in 1977 that the Coal Board adopted the forecast that by the year 2000 UK coal demand would lie in the range 135-200m tonnes a year, with a mid-point estimate at around 170m tonnes. To meet this demand, a massive expansion in productive capacity would be needed.

Four years, one oil crisis and one recession later, the NCB figures look very rosy. Professor Manners examines each of the fuel's major markets and concludes that UK coal demand in 2000 is likely to be in the range 112-120m tonnes. With some of this met by imports, he gives a mid-point for NCB demand of 120m tonnes—roughly what it is now.

Where does this leave the NCB's expansion plans? Professor Manners argues that if the UK is prepared to import 100m tonnes of coal at the turn of the century, planned improvements at existing pits plus the new Selby colliery in Yorkshire could well cover national requirements. He is sceptical about the controversial Vale of Belvoir development, looks "highly questionable," he says.

The book is based on evidence the Professor gave against the NCB at the Belvoir inquiry but its arguments have been neatly updated to take account of events since then.

Professor Manners does not prove a case against Belvoir. First, the assumptions behind his supply and demand estimates are open to challenge. The conclusions he reaches seem more

robust than the data on which they are based.

Second, even on his figures Belvoir coal may well be needed if the UK is to be self-sufficient in coal. Whether it should be self-sufficient is another matter, with the professor concluding that this "insurance premium" is not worth paying.

That said, Professor Manners' book is the most cogently argued in a series of recent academic attacks on the NCB's projections—attacks which the Board has dismissed in far too cavalier a fashion.

The professor's arithmetic looks more convincing than that presented by the NCB in its 1977 document. Before the Coal Board submits planning applications for any more collieries—South Warwickshire is next on its list—it must go back to the drawing board.

The same point emerges from Dr Pryke's study of the NCB in *The Nationalised Industries*, an analysis of the policies and performance of the public sector since 1968. "The Board's long-term programme," he concludes, "is based on a wildly over-optimistic estimate of the likely demand for coal."

Dr Pryke points out that a large part of the NCB's output is being produced at a loss and argues that although many of its short-term capital expenditure schemes are worthwhile, it has embarked on some dubious projects.

Martin Zimmerman's *The U.S. Coal Industry* examines the economic and policy alternatives facing the U.S. as it expands its use of the fuel. It looks at the complicated trade-offs involved. One, for example, is that between environmental regulations on coal use and reliance on oil imports.

Dr Zimmerman concludes that there are three key elements in any U.S. coal policy: low sulphur Western coal, high sulphur and therefore more polluting Eastern reserves and one of the great unknowns of this decade—the acceptability of nuclear power.

Martin Dickson

## The British Business Elite

Its attitudes to Class, Status and Power

JOHN FIDLER

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## FINANCE OF INTERNATIONAL TRADE

by Alasdair Watson

2nd edition: October 1981

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## TECHNOLOGY

EDITED BY ALAN CANE

## Texas plan to apply microchips

BY ALAN CANE

TEXAS INSTRUMENTS, the world's biggest supplier of microchips, has taken the first step in an ambitious plan to put the power of the computer behind traditional industries.

Yesterday, it announced the first members of a new, fast and extremely powerful family of microcomputers. It also unveiled a scheme to put those microcomputers to work in industries where microelectronics has conventionally played no significant role.

The problem Texas is trying to tackle is twofold. Microcomputers are cheap and effective these days, but difficult to connect to other devices and difficult to programme.

It could cost a microcomputer user many times the cost of the device in time and money to tailor it for a specific industrial application.

In those industries where microelectronics have not been used traditionally, it is difficult to persuade companies to invest time and money in learning to utilise microelectronics.

## Extensive

In the past, semiconductor houses like Texas, National Semiconductor and Intel have sold chiefly to the computer, telecommunications and defence markets. Yet it is in the industries outside these areas that microcomputers could make their biggest contribution.

Mr Peter van Cuylenberg, general manager for microsystems (Europe) and one of the principal architects behind the new Texas approach said: "By the end of the 1980s, we will be selling to naive end-users in industries which have never considered using microelectronics."

The list of industries is extensive: it includes paper manufacture, agriculture and fishing, security, sheet and non-ferrous metal production, textiles and glass processing.

In other words, van Cuylenberg foresees the possibility of some 20,000-30,000 customers across Europe within the next few years with a variety of different industrial needs.

No company, however large, could hope to have experience in building applications systems in so many different areas. The TI answer is building blocks of hardware and software and a network of systems dealers and systems specialists to handle different industries.

It is, in fact, the Other Equipment Manufacturer (OEM) system brought down to the micro level.

Van Cuylenberg believes that although neither traditional semiconductor houses nor traditional electronics consultants can have detailed knowledge of all the industries which could make use of microchips, each of those industries already has its own specialist machinery suppliers.

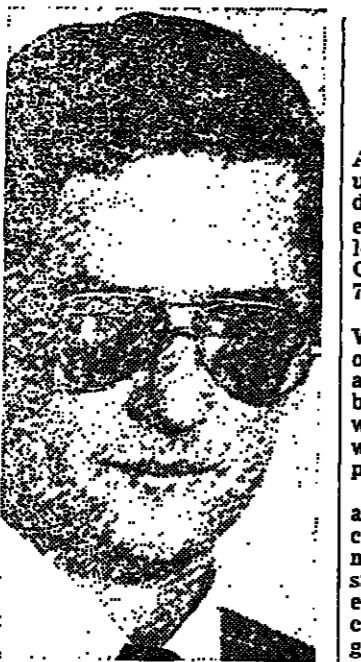
Many of those have the necessary competence to use microelectronics to solve their customers' problems and TI has set up a network of these companies, it calls them "systems integrators".

In the UK, the list includes A and S Engineering in Edinburgh, K and N Electronics in Rotherham and S D Signal Processing in Southampton.

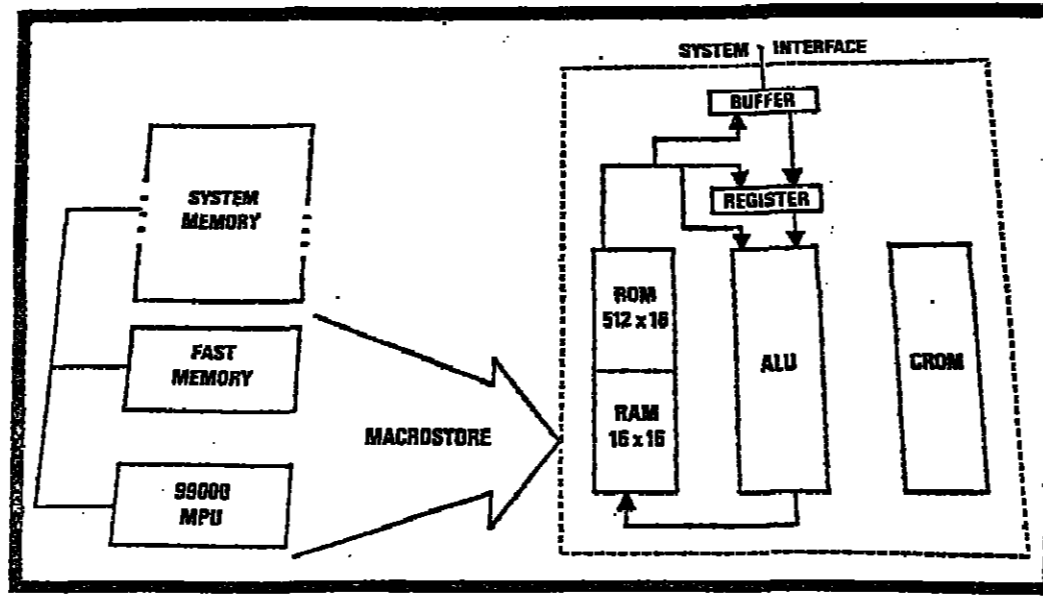
Van Cuylenberg envisages some 2,000-3,000 of these specialist companies across Europe, supplied by 200-300 "systems distributors," electronics distributors with a special interest in the needs of the "systems integrators" who are their customers.

In the UK, there are now five approved systems distributors. Access Electronic Components, Black Arrow Electronics, Hawke Electronics, IIT Electronic Services and VSI Electronics.

A typical "systems integrator" in the TI network is Taylec of Leyland in Lancashire. Slightly under ten years old, the company specialises in services to the mechanical and electrical engineering industries.



PETER van Cuylenberg: foresees 20,000-30,000 customers across Europe.



TEXAS Instruments third generation 16-bit micro, the TMS99000 series.

An example of the kind of project it has already carried out using TI components is a system for a juice process plant controlling 70 solenoid valves, 20 motor controllers and ten proximity sensors.

To make life as easy as possible for its systems integrators, Texas has developed the idea of component software: pieces of software which carry out a specific function and which can be added together to form complete systems.

The rationale is that in any system there are many common functions. Texas provides these as pre-written components which can be plugged together leaving the customer to carry out the minimum of customising to tailor the system exactly to the application.

The component software can be provided as disks, tapes or indeed as computer instructions already written on to silicon chips.

The first of the new TMS99000 family of microprocessors, the 99105 is intended to bridge the gap between the 9905 micro and the new microprocessor family.

The 99110 is said to be the world's first floating point microprocessor. The two new micros are fast—24 Megahertz clock—powerful and cheap, the 99105 costing £35.00 in 100-off quantities, the 99110, £55.00.

## How to double capacity on a word processor

A DEVICE designed to allow users of word processors to double the capacity of their equipment immediately and at low cost has been introduced by CSL Business Systems (04626 73991).

The device, known as WordPro, works by allowing an ordinary office typewriter to act as an additional entry keyboard, effectively freeing the word processor for the job it was designed for—storing and processing text.

CSL claims that the important advance in reducing the cost of WordPro is the use of micro-cassettes for memory storage before the text is entered into the word processor. In effect, the user can get almost the equivalent of a second word processor at a quarter of the cost, it is claimed.

The WordPro system is based

on two compact memory units. One unit, placed next to the typewriter, remembers each key-stroke and then records it digitally on a micro-cassette. This stored information can be transferred to a word processor at any time, simply by taking the micro-cassette and placing it in a second WordPro unit connected to the word processor.

CSL claims that WordPro does not affect the existing performance of a typewriter and that it can be changed from one mode to another at the flick of a switch. There is also an extra benefit for telex users, since any typewriter converted to work with WordPro can also be used to prepare off-line telex tapes when used with the CSL Telex-cutter 4000.

The data capacity of each micro-cassette is equivalent to 24 pages of typing (64K byte memory).

## Escap adds to motor range

AN ADDITION to the range of Escap 22 mm diameter d.c. micromotors has been introduced by Portescap (UK), Reading (0734 861485). Based on the established 22c micromotor, the new models are suitable for operation at various voltages up to 48 V d.c.

Employing the proved technology of the self-supporting skew-wound ironless rotor, the motors are claimed to be ideal for small instrument, servo and drive duties. The ironless rotors have a maximum operating temperature of 100 deg C and a power output of 3W.

Because of its low inertia and optimisation of the magnetic circuit, each micromotor has a mechanical time constant of about 18 msec. Both 1.5 mm and 2 mm diameter drive shafts are available.

## Chloride's space-age battery in production

AN AUTOMOTIVE battery which is claimed to be unique in having no free acid has been developed by the Chloride Group (01-730 0866).

Completely sealed and spillable, it is said to be maintenance-free and safe in all conditions. The technology, based on "recombination electrolyte," was originally developed for high-performance equipment in spacecraft and, says Chloride, is totally different from anything previously used in automotive batteries.

Mr Ken Hodgson, chief executive of the Chloride Group, says: "Perhaps no previous development in batteries has been as significant as this one. It offers motor manufacturers improved battery performance with a significant reduction in weight and bulk. It also means that the battery can be located anywhere in the vehicle, with potential savings in cabling and battery fixing arrangements."

The new batteries are already in production and on sale in Australia. They will be introduced progressively to Chloride's other markets throughout the world.

Conventional batteries lose water during service both from gassing during charging and from evaporation, especially in high ambient temperatures. Regular topping-up is therefore needed. Recently, Chloride and other manufacturers introduced in the UK "sealed for life" batteries which reduced water loss by relying on the relatively high hydrogen over-potential of lead calcium alloys.

Water loss is thus reduced to a point where, since enough acid is put in before

the initial charge, the battery will need no topping-up during its working life.

The new "gas recombination" principle, Chloride claims, provides a different and better solution to the problems that occur with all existing batteries. The balance of the active materials is adjusted so that the positive plate becomes fully charged before the negative plate.

During charging, oxygen is produced. The oxygen diffuses through a specially designed micro-fibre separator system to a negative plate. There it reacts to form lead sulphate, which is in turn reduced to lead by further charging. So long as it is not released, the battery thus provides a fully sealed electrical system with no water loss.

The micro-fibre glass separators have two other important advantages, says Chloride. First, they absorb and hold the electrolyte so that there is no free acid in the battery. Second, their electrical resistance is up to 10 times lower than that of conventional automotive battery separators.

In consequence, far less electrical energy is lost within the battery and it provides a voltage about 5 per cent higher than conventional types. More power is therefore available for starting the engine in low ambient temperatures.

The new technology also gives an opportunity to redesign the external shape and features of the battery, says Chloride. The unit has an integral carrying handle, central terminals which avoid left-hand and right-hand versions, and a flat top for easy stacking in storage. It has also been possible to reduce the number of sizes and types.

## Art treasures protected

THE installation of advanced data-logging system at the National Gallery in London is a significant advance in protecting valuable works of art from harmful variations in temperature and humidity.

The gallery is believed to be the first in the world to install microprocessor-controlled equipment for monitoring and recording of the atmosphere in which many of the nation's major art treasures are kept.

A fully programmable Philips model 2340B data-logger fitted with extra channel-scanning cards monitors up to 80 inputs from rooms through the gallery.

Besides continuously monitoring all 80 inputs and providing audible and visible warning of any excessive change in the atmosphere, the system regularly updates a magnetic tape in the gallery's scientific department.



## Big and salt free in Israel

AT THE world's largest desalination plant, now being built at Ashdod, Israel, three new systems have been introduced by Israel Desalination Engineering (Zarchin Process) in addition to the company's Aquaport (multi-effect vapour compressor) desalination units.

The first, known as the Ikarim concept, is designed to recycle an extractable chemical from various solutions to meet environmental requirements for efficient disposal of irreversible suspended constituents without a separate heat source or need for treatment to break down the substances.

The system is claimed to yield a salt-free product, while the brine, concentration is well above the saturation limit.

The brine is split into two streams: the main stream—a clean, highly concentrated solution containing the scale crystals—and the minor stream, which is a brine containing the scale crystals, calcium carbonate, sulphate and silica.

Typical applications are said to include the extraction of pure water from the ground, chemical recovery, waste-water recycling and sodium chloride production. The concentrates can be driven by a vapour compressor or by live or waste steam.

IDF's second new product at Ashdod is a refrigeration unit—basically a two-stage vapour-compression heat pump—which uses water as the refrigeration medium, thus eliminating the need to transfer heat between water and refrigeration liquids such as freon or ammonia.

The third product is a continuous "single-pass" system for processing wine and grape juice. The selective separation of foreign particles is effected primarily by the special structure of the semi-permeable membrane.

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## JOBS COLUMN

## Why work is increasingly a family concern

BY MICHAEL DIXON

YOU HAVE just applied for a most desirable job. Back comes a letter stating that if you're to stay in contention, you'll have to be interviewed jointly with your wife or husband. How would you react?

I doubt that anyone would be pleased. Most would take the requirement as an insulting trespass on their privacy. Many would see it as potentially injurious to boot since, usually the presence of the better half worse than doubles the risk of being revealed as a nincompoop. Nor to judge by the audience's reaction when joint interviewing was proposed by Bill Holmes, of the ORC international recruitment consultancy, at last week's Institute of Personnel Management conference—is the idea less unpleasant to those who sit on the interviewer's side of the desk.

Even so, Dr Holmes has left this column feeling that there are at least plausible reasons why such interviews both will and should play an increasing part in the jobs market.

While the image of resolute dads pedalling around in search of work may appeal to some politicians, I fear they are crying after a bygone age. There are various large areas where openings are so scarce that anyone capable of cycling far

enough fast enough to claim one would probably do better financially to enter the Tour de France.

In the managerial and specialist grades particularly, the plague of redundancies has shown unmistakably how foolish it has now become to be married first and foremost to one's job. So the younger generations can surely be only commended for refusing to repeat their predecessors' common mistake of letting the employment of one of the family lead the other members by the nose. In these grades, too, mobility is increasingly inhibited by the fact that both wife and husband have career ambitions. Another deterrent, now educational success has become crucial to children's prospects, is that a change of locality may well seriously disrupt their progress at school.

A change of job is therefore becoming more and more a family affair. Unless job candidates and recruiters are both prepared to recognise this and take account of the spouse's attitude before making or accepting an appointment, they have only themselves to blame for the costly failure that is likely to result.

This applies especially, although by no means exclusively, when the job would entail moving to another country—a prospect which now evidently tempts an in-

creasing number of readers keen either to escape from gloom at home or to pursue their ambitions to become "international" managers. But neither of these motives is a safe one, as was evident from Bill Holmes's talk.

The would-be escapers can hardly ever make a clean break with their previous problems, and those which accompany them are usually compounded and magnified by the new problems arising from the move. In these circumstances, "being sorry for themselves and blaming it on others, especially the employer, can easily become the whole of their lives."

People who leap abroad in pursuit of international experience to qualify them eventually for headquarters management in multi-national concerns, are also liable to disappointment. "Experience suggests that the ones who do well in expatriate jobs tend to be a different set of people from those who do well in head office." And those who do badly in overseas posts find it increasingly hard to find an acceptable route back.

The fact that the candidate has all the technical skills stated in the overseas job's specification is largely beside the point. "Less than 10 per cent of failures in expatriate work are technical," Dr Holmes said. The bulk of these disasters arise from inability to

adapt—without "going native"—which usually both alarms the employing organisation and affronts the local citizenry—to the other country's culture.

The upshot is in his view that the only sound advice to would-be self-exporters is "don't" unless they can be sure they possess all of the following eight strengths:

1—Self-awareness as characterised by an accurate sense of what one is feeling, thinking and communicating.

2—Empathy: the emotional imagination to appreciate other people's feelings.

3—Social flexibility, enabling one to be equally comfortable for instance as either guest or host.

4—Freedom from dogmatism.

5—Tolerance of ambiguity in other people's behaviour.

6—Recognition of other races' equality regardless of their differences — "If your attitude is at all condescending, you can be sure it will show."

7—Control over one's non-verbal means of communication.

8—Self-esteem, in the sense of a realistic and so secure personal image.

In addition, Bill Holmes said, it is usually important for intending expatriates to invest in enough language training to enable them to speak with apparent ease a range of familiar phrases in the tongue of the

country in question, even if its natives as well as one's colleagues generally speak English.

And where the change entails moving overseas as a couple, he emphasised, it is crucial that both should possess all of these attributes. "If either of them falls short on any one of them, my judgment would be to forget the idea. Otherwise they could be heading for just one more of those family disasters that usually break when one turns to the other and says: 'I don't know about you, dear, but I'm going home'."

## Far East

HAVING passed on that warning, I will relay the news from two Far East representatives of the Korn/Ferry International recruitment consultancy, that there are various opportunities available in Singapore and to a lesser extent in Hong Kong.

The main demand is for expatriates with demonstrable expertise in applying micro-processor technology, and in consumer marketing. But the lack of local people experienced in senior, general management also provides some openings for people who have successfully run big, preferably international business operations—a demand which I'm told also exists in Australia and occasionally New Zealand.

Readers wishing to learn

more should contact either John Harlow, 1908 Orchard Towers, Orchard Row, Singapore 0923; telephone 2354711, telex RS 26884; or Peter Bennett, 2315 Connaught Centre, New Lane Central, Hong Kong; tel. 5247356.

## Middle East

NOW to three managers sought by headhunter Brian Saltzer (13 The Broadway, Wimbledon, London SW19 1PS; tel. 01-447 8687, telex 28604, Ref. 2013) for a refinery in Saudi Arabia.

One is for someone with copious experience of the fire- and accident-prevention aspects of the industry, to take charge of all associated regulations and procedures in the refinery soon to begin operating in a coastal area, and designed to process about 200,000 barrels a day. Tax-free salary around £23,000.

The second recruit will be a technical services manager whose experience in the international oil industry includes managing a team of technical specialists in starting-up a major refinery. Salary indicator £35,000.

Similar salary for the chief—

preferably qualified chemical—engineer whose duties will include training and eventually handing over to local staff.

Two-year renewable contracts include "car and all other attendant benefits," Mr Saltzer says.

## High-Calibre ACA/ACMA's 70% Overseas Travel

£10,000 - £12,000

Our client is a multibillion dollar U.S. high technology group operating world-wide. They seek a young ACMA (an ACA with commercial experience) to join their high-powered operations review team which is responsible for a wide range of financial evaluations and systems reviews covering their manufacturing and marketing operations. The function is highly respected within the corporation and as an aid to management and as a breeding ground for future Senior Managers. Successful candidates can expect rapid and exciting career progression world-wide. Candidates must demonstrate an exceptionally strong and positive personality, alongside a high level of technical and communicative ability.

Travel content is considerable within Europe, USA, South America and Asia—consequently a second language is essential (preferably French/German/Spanish or Arabic). Interested applicants should contact Kevin Byrne on 01-242 0965 or write to him at 18/19 Sandland Street, London, W6A 1PZ.

Michael Page Partnership  
Recruitment Consultants  
London Birmingham Manchester

## International Publishing &amp; Advertising Agency Group

## FINANCIAL DIRECTOR

(Designate)

LONDON

c. £20,000 + car

Assume complete responsibility for the overall financial management of a fast-growing multi Em group of companies. Institute more effective systems and controls. Become a trusted adviser to a dynamic and entrepreneurial Chairman, intent upon quadruplet growth in the 80s.

Our Client: An established international magazine publishing house with offices in U.K., Europe and U.S.A. • Plans to expand into Scandinavia are imminent. • The Group owns a rapidly expanding U.K. advertising Agency (billings c. £2m); group profitability record is exceptional and re-investment has resulted in a 50% compound growth rate over the past 5 years.

A Challenging Opportunity: Administrate and financially control the Group • Institute disciplined financial management systems • Be totally responsible for day to day accounting (Olivetti 30/30) and all treasury functions • Introduce Monthly Performance Assessment on all business activities • Prepare monthly management account and P and L (Group Consolidated) • Advise on U.K. and International tax and investment policy • Evolve a

corporate plan for a Chairman, whose time is spent in Marketing, the introduction of new titles and establishing new business.

Our Ideal Candidate: A well qualified and commercially experienced Accountant aged 28-35 years. A manager with a proven track record of combining the job roles of day to day accounts department management with advising on financial strategy and policy making for a multi Em, international group. A strong personality with positive attitudes, the successful candidate will have the dexterity to work within a dynamic environment and an experience of creative disciplines.

Attractive Remuneration Package: Excellent basic salary + performance related bonus + executive car + other significant benefits reflecting the importance of the appointment.

ACT NOW! To learn more about the appointment write or telephone, in the strictest confidence, to the Company's Adviser, Bryan Thomas on 01-388 2051 (01-388 2055 Night Service). Quote Reference 518

MERTON ASSOCIATES (CONSULTANTS) LIMITED  
Merton House, 70 Grafton Way, London W1P 6LN  
Executive Search and Management Consultants

## FINANCIAL CONTROLLER

Circa £15,000 + car

London

Our Client is the UK member of an established, successful international group, manufacturing medium capital equipment for process industries. The Financial Controller will join a small team reporting to the UK Managing Director and will be responsible for the company's financial, management and cost accounting systems and controls. Limited travel may be required.

Applicants should be Chartered or Certified Accountants, experienced in non-repetitive manufacturing, contract cost control and data processing. Preference will be given to candidates in the 35-45 age group who can demonstrate promotion potential. Working knowledge of French or German language would be useful.

Please write or telephone us for application details, confidence, quoting reference 420.

Brian Woodhead & Co Ltd  
The Coach House, 95a Hagley Road, Edgbaston,  
Birmingham B16 8LG. Telephone: 021-455 9292 (3 lines).  
Brian Woodhead & Co Ltd  
Executive Search & Selection Division

## Investment Analyst

Owing to the rapid growth of its funds under management, Scottish Amicable, a leading mutual Life Assurance Society based in Glasgow, has a vacancy within its Investment Team.

The role will involve the successful candidate in assessing the trading prospects of public companies primarily within the U.K. as a first step to developing a career within Fund Management.

Candidates should possess a good degree or professional qualification and while a background in Fund Management is not necessarily required a higher salary would be available for applicants with previous experience.

The total remuneration package would include the generous fringe benefits associated with a successful Scottish Life Office.

Applications to be made in writing to:

Assistant Staff Manager  
Scottish Amicable Life Assurance Society  
150 St Vincent Street  
GLASGOW  
G2 5NQ

هكنا من النحل

SCOTTISH  
AMICABLE  
LIFE ASSURANCE SOCIETY

Merchant Banking  
Managers

Samuel Montagu & Co. Limited seeks to recruit two experienced bankers at Manager level for its UK & European side.

Candidates should be conversant with all aspects of lending, particularly business development, credit analysis, loan negotiation, documentation and syndication, in both the sterling and currency markets. Fluency in one or more foreign languages would be an advantage.

Samuel Montagu offers competitive salaries and other benefits commensurate with the standards of a major merchant bank. Prospects for able and ambitious bankers are excellent.

Applications, which will be treated in strictest confidence, should be sent with full relevant details including current remuneration, to T.J.B. Locker, Assistant Director, Personnel:



Samuel Montagu & Co. Limited,  
114 Old Broad Street, London EC2P 2HY

## FINANCIAL EXECUTIVE

Medium-sized Public Company

A diversified and entrepreneurial company, located in the South of England, with strong international links is looking for a Financial Executive of the highest calibre and potential to be responsible for the general financial control of the Group's operating divisions and for the evaluation of potential acquisitions.

## QUALIFICATIONS

- (i) Qualified Accountant with at least two years post qualifications experience—Industrial exposure not essential.
- (ii) Treasury/Banking experience an asset.
- (iii) Thorough knowledge of information and reporting systems.
- (iv) An ability to monitor a diversity of operational activities and to liaise effectively with the relevant key executives.

A highly competitive salary and fringe benefits are on offer.

Please reply with a detailed curriculum vitae to Box A7665 Financial Times, 10 Cannon Street, EC4A 4BY.

## Corporate Finance

We seek to appoint an executive of outstanding ability with substantial experience gained in the corporate finance department of a merchant bank or firm of stockbrokers to develop a new business which will be based in Manchester and will also involve liaison with existing businesses in the United States.

The successful candidate will probably be in his or her early 30's, have a university degree and a professional qualification. The envisaged remuneration package will include an initial salary of around £17,500 and a car. Equity participation in the future is likely.

Applications, enclosing a concise curriculum vitae, should be sent in confidence to: Box A7663, Financial Times, 10 Cannon Street, EC4A 4BY.

## PROFESSION

Saudi Arabia to US \$65,000 + Benefits  
Do you have good audit/consulting experience gained in a major professional practice, with an emphasis on the banking and construction sectors? A rapidly expanding practice with an excellent client portfolio is seeking two managers capable of contributing to its development. The first will be based in the Middle East, the second in the UK. Both will be responsible for the audit practice, the second will provide systems advice to major clients. Contracts will be variable between 1 and 2 years.

## CANADA

Calgary  
Calgary is a young rapidly growing city in the heart of Western Canada's oil boom. We would be pleased to hear from you if you are a part or qualified accountant and have a proven track record from the Canadian High Commission to work in the country and specifically wish to work in Calgary. Your details will then be passed on to our Calgary office in advance of your probable visit to the area.

## TRAVEL PLUS PROSPECTS

London based c. £13,000  
Young, high calibre Chartered Accountants are offered considerable scope for developing their careers within a multinational oil company. After an initial period in a high profile role, gaining knowledge of overseas operations, the successful candidate should assume a controllership position in 2-4 years. Candidates will fall into two categories: either possessing fluency in an European language other than French and have a working knowledge of another, or possess an in-depth experience of computer systems with the ability to program.

## YOUNG ACCOUNTANT

S. London c. £12,000  
Our clients are a major U.K. retail group with an outstanding record of profitability. They wish to strengthen their recently qualified ACA/ACMA to strengthen the Head Office accounting function. They offer a broad and challenging role designed to provide the experience essential for career development. Flexibility, enthusiasm and initiative are essential and will determine the rate of promotion to senior level management.

## MEDIA MINDED?

West End £10,000  
A well respected group in the entertainment field has recently moved its accounts function to London and, subsequently, is recruiting an experienced accountant to join its lively but select team. This responsible role, covering a wide range of financial accounting duties both for subsidiaries and the parent company, would suit a flexible, newly qualified person, aged 25-32, looking for a career move at Head Office level.

Lee House, London Wall, London EC2Y 5AS Tel: 01-606 6771

ROBERT HALF  
Accountancy & Financial personnel specialists

INVESTIGATIONS  
SENIOR

London to £10,500

An opportunity has arisen for a recently qualified chartered accountant to specialise in investigations in a leading firm of chartered accountants.

Candidates should have wide ranging audit experience, a high level of motivation, and good communication skills.

If you are interested in working in this exciting specialist field, please contact Heather Bucknham B.A. at 410 Strand, FREEMONT, London, WC2R 0BB or tel: 01-636 9601, quoting reference 3498.

DOUGLAS  
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Chartered Accountants  
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## BANKING

ASSISTANT MANAGER, ACCOUNTING c. £11,000

Qualified (pref.) accountant with extensive banking experience required to supervise a small team reviewing and monitoring financial accounts and reports.

"JUNIOR" LENDING OFFICER c. £10,000

Graduate/AIB with sound credit background required to support leading international bank's lending team, increasing marketing involvement.

CREDIT ANALYST(S) c. £9,000

Opportunities exist for 2-3 young bankers with good, specific training and potential for further development, a European language helpful.

MANAGEMENT ACCOUNTS/REPORTS c. £7,500

Very active City bank seeks a lively young person with good all-round experience of management accounts/information.

Please telephone Ann Costello or John Chiverton on 01-447 8687

JOHN  
CHIVERTON  
ASSOCIATES LTD  
114 Cannon Street, London EC4A 4BY

# AL SAUDI BANQUE

needs to recruit three experienced executives to meet the challenges of its expanding LONDON organisation.

## Administration and Operations Manager

A mature and experienced banker with a proven record as a sound administrator is required. The position supervises all Accounting, Administration and Operations functions. Applicants however require broadly based experience in International Banking, and must be able to demonstrate their ability to contribute to the overall management and supervision of the branch.

## Business Development Officer — Middle East

This assignment will be to develop the Bank's Middle East business both with corporate customers and financial institutions. A period of having lived in the Middle East is considered important and the ability to speak Arabic is essential. Applicants need to be self starters and keen to travel.

## Business Development Officer — Syndications

This assignment will be to promote and handle the Bank's Loan syndication business as well as to assist in developing project finance, investment services and other merchant banking activities for the Bank. Experience in business development preferably with Middle East institutions, as well as in syndications is required.

Attractive salaries will be offered, and fringe benefits are in line with current City practice.

Written applications and CVs should be sent to

The General Manager  
Al Saudi Banque  
52/60 Cannon Street  
London EC4N 6AN

Interviews will be held in London and in the Middle East.

البنك السعودي  
AL SAUDI BANQUE  
Licensed deposit taker

## SYSTEMS ACCOUNTANTS TO MOVE INTO GENERAL MANAGEMENT

UK & Europe Aged 27-34 UK Salary range: £15-30,000+Car

We are currently conducting a search for six Systems Accountants for three major US multi-national organisations, each of which is a world leader in its particular field.

The positions are initially based in London, Germany and Switzerland. Although language ability would be an advantage it is not an essential requirement.

The individuals sought may be currently working in the M/C Division of a major Public Accounting practice or, alternatively, have gained their experience in a commercial environment within a major multi-national company.

A two year commitment in Systems Development work is expected before moving into either financial or operations management, from which promotion to a Senior Executive function can be expected on a three to five year time scale depending on performance.

In all respects these positions can offer unmatched career advancement, hence it is expected that the individuals appointed should make a major contribution to the company, in return for which both initial and future salary packages will be substantial.

Interested applicants (male or female) should apply to: EMF International, Northumberland House, 303-306 High Holborn, LONDON WC1V 7JZ. (Tel: 01-405 9581).

EMF International

INTERNATIONAL FINANCIAL EXECUTIVE SEARCH

## TSB GROUP CENTRAL EXECUTIVE Business Development Division

### Assistant Manager— Credit Services Department c. £14,000 p.a.

The Trustee Savings Banks are currently involved in an extensive development of both personal and commercial lending services. TSB Group Central Executive, situated in the City of London, provides a range of central services to the constituent banks and subsidiary companies which relate to the TSB group. The Business Development Division now seeks an Assistant Manager to join the specialised team developing the group's credit services.

This is an opportunity for an experienced Banker to assist in the further development of our total range of products and services, particularly those relating to credit. The successful applicant will be a qualified Associate of the Institute of Bankers with a knowledge of personal and retail commercial (including mortgage) and a sound knowledge of the Consumer Credit Act will also be required.

The Assistant Manager—Credit Services Development, reporting to a Manager in the credit services section of Business Development Division, will be responsible for:

- advising on lending policy, particularly in relation to the small business sector;
- the development and co-ordination of personal and commercial lending products and services for the TSB Group;
- liaison with the Group's Computer Company on credit services systems requirements.

• interface with the Group's Legal Division relating to the effects of the Consumer Credit Act on banking practices and procedures within Trustee Savings Banks.

The salary for this appointment will be not less than £12,800 plus London Allowance of £1,200 per annum. In addition to a non-contributory Pension Scheme, a House Mortgage Subsidy Scheme and interest-free Season Ticket Loan Scheme are offered, subject to a qualifying period of service.

Please state clearly in your application how you meet each of our requirements and include full details of educational qualifications, career to date, salary history and the names of two referees. (No approaches will be made to referees without the prior consent of applicants.) The successful candidate will be asked to undergo a medical examination.

Applications should be sent to:  
HEAD OF PERSONNEL DIVISION  
TSB GROUP CENTRAL EXECUTIVE  
PO BOX 33  
3 CATHALL AVENUE  
LONDON EC2P 2AB

to arrive no later than 20th November 1981. This vacancy is open to both male and female applicants.

TSB

TRUSTEE SAVINGS BANK

## FX DEALER

c. £12,000 + Perks

Leading merchant bank requires well-versed applicant with minimum of 3 years' FX dealing experience for their customers' dealing department. Also

## CREDIT ANALYST

c. £8,500 + Perks

2 years' minimum experience, for small but progressive international bank.

Ring 01-253 0022/0023 for appointments

VPN EMPLOYMENT

## London Stock Brokers

Require young person (preferably late 20's or early 30's) for bank investment department. Experience of giving investment advice essential, and knowledge of office procedure desirable. Salary commensurate with experience.

Write Box A7661, Financial Times,  
10 Cannon Street, EC4P 4BY.

## Corporate Tax

West of London  
£14,000 negotiable

This British owned international group with a turnover of over £300 million is reorganising to achieve structural simplification. One benefit will be considerable savings in the cost of tax administration and external assistance. A new senior post reporting to the Treasurer has been created to maximise these advantages.

The work will appeal to an adventurous and lively corporate taxation specialist with some 4 years' post-qualification experience in tax, in a substantial UK group with international connections, or still in a major professional firm, or in the Inland Revenue.

Applications, which will be treated in strict confidence, should contain relevant details of career and salary progression, age, education and qualifications.

Please write to Alan Crompton, quoting ref: 1023/FT on both envelope and letter.

**Deloitte  
Haskins + Sells**  
Management Consultants  
128 Queen Victoria Street, London EC4P 4JX

## CREDIT ANALYST/LENDING OFFICER London Branch

For our expanding Loans and Credit Department we are looking for a banker with sound knowledge in appraising commercial and country risk and with skills to negotiate terms and conditions of new loans to corporate and sovereign borrowers. Applicants, in their early 30s, should have had a professional credit training and experience of at least three years in international banking. The ideal candidate will be fluent in both the German and English languages.

## ASSISTANT ACCOUNTANT

For our operations department we are seeking a young Accountant with three years' experience in international banking operations.

For both positions:  
Salary negotiable plus benefits.

Please send detailed c.v. and salary expectation to:

General Manager  
Landesbank Stuttgart  
Portland House, 72/73 Basinghall Street, London EC2V 5AP.

Landesbank  
Stuttgart  
London Branch

## FINANCE OFFICER Industrial Development £12,594-£13,782

This is an exciting opportunity to play a key role in the economic and industrial development of Bexley, as a member of the Council's Economic Development Unit. The Unit has just been formed, so you will play an important part in getting it off the ground.

Your key objectives will be: to liaise with businesses to identify their needs and advise them on financial matters; and to assist companies to obtain financial assistance.

You should be an energetic, professionally qualified accountant, with at least two years experience of working with owners and managers in the small business sector. A good knowledge of Government and private sector assistance programmes is essential, as is the ability to offer and co-ordinate the provision of practical advice and counselling to the business community within the Borough. Casual user car mileage allowance.

Assistance with relocation expenses will be given in approved cases.

Application forms from the Technical Services Secretary, Sidcup Place, Sidcup, Kent DA14 6BT (01-303 7777, ext. 8348).

Closing date: 20 November, 1981.

Bexley



## GRADUATES (Economics)

The BCC requires young graduates with good honours degrees in economics and with a flair for working and analysing current economic trends. To join its Economic Evaluation Wing. The Wing is involved in the monitoring of international economic trends of relevance to a growing international bank and in the preparation of country profiles and compilation of monetary and banking statistics. Originality and independence of thought by the Wing's members is encouraged through contributions to the BCC Economic Review. A competitive salary package of around £7,000 will be offered to the successful candidate. Applicants should write giving CV by 30th November, 1981, at the latest, to the Senior Economist:

BANK OF CREDIT AND  
COMMERCE INTERNATIONAL  
SOCIETE ANONYME  
LICENSED DEPOSIT TAKER  
100 LEADENHALL STREET LONDON EC3A 3AD



## J. E. Beale Limited

### FINANCIAL CONTROLLER J. E. Beale Limited, Bournemouth

The initial appointment will be as Financial Controller to the Company's wholly-owned trading subsidiary, with responsibility for redeveloping the Company's computerised accounting and reporting system. However, it is intended that the successful candidate will be appointed to the Board of the Holding Company, as Financial Director, after a satisfactory probationary period.

The Company operates eight department stores, with a turnover in excess of £22m. Candidates are required to be qualified CAs with a high standard of intellectual attainment, preferably to degree level. Commercial experience is desirable, but does not need to be specifically related to department store activities. Age 30-45. Remuneration circa £17,500 p.a. with non-contributory pension and other benefits. Written applications, containing career details, in confidence to:

The Personnel Director  
J. E. BEALE LIMITED  
36 Old Christchurch Road  
Bournemouth BH1 1LJ

## Hoggett Bowers Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

## Executive Search

London W1

We are looking for two additional consultants to play a major role in our growth within this expanding market. We are only interested in top calibre executives with broad experience and a record of success at a high level in industry or commerce. The ideal age is within the 40's, and adaptability and a positive personality are vital qualities. Candidates must have good contacts, ideally including city institutions. The remuneration package, based on effectiveness, will be tailored to match current earnings.

Please apply in strict confidence with full c.v. to John R. Featherstone, Managing Director, Hoggett Bowers & Partners, 10, Hanover Street, LONDON, W1R 9HF, Tel 01-629 1277.

## Qualified Accountants

Age 25-28

£14,500

Price Waterhouse Associates have been asked to identify a number of suitable and qualified accountants interested in being considered for realistic and attractive career prospects within mainstream banking eventually leading to distinct senior management opportunities. The employer is one of the major UK clearing banks who has undertaken to provide selected candidates with a fully comprehensive and demanding 12 months training period including residential training prior to selection for first branch management positions.

For employment consideration, applicants male or female, aged 25 to 28 should be of Chartered status although consideration will be given to members of other accounting bodies. They must possess a keen intellect and marked leadership qualities, with the personality, commitment and ambition necessary to achieve senior management.

Whilst undergoing training, employees will be paid at the rate of £14,500 p.a. and other employment benefits will include pension, 5 weeks holiday per annum, BUPA, subsidised mortgage facilities in certain circumstances and preferential loan schemes.

Interested persons should write to Michael R. Andrews, Executive Selection Division, Southwark Towers, 32 London Bridge Street, London SE1 9SY requesting a personal history form quoting MICS/7045.

Price  
Waterhouse  
Associates

## Senior Credit Officer

Our client is a city based consortium bank which specialises in Latin American business. Its shareholders are leading European and Latin American banks.

Due to its growth the bank requires an experienced credit analyst. He/she will be responsible to senior management for evaluating credits and reviewing and monitoring the bank's loan portfolio.

Bankers who have had at least five years' credit analysis experience in the medium term Eurocurrency lending field are invited to apply. The preferred age is between 28 and 37.

Remuneration will be negotiated at about £16,000, and a car and the usual fringe benefits will be provided.

Please reply, quoting Ref. 1253.

Odgers

MANAGEMENT CONSULTANTS  
Odgers and Co Ltd, One Old Bond St,  
London W1X 3TD 01-499 8811

## BANKING APPOINTMENTS CREDIT ANALYST / CREDIT MANAGER TO £12,000

A major European bank, currently engaged in a large programme of expansion, is seeking a senior credit analyst, probably aged in mid-30's, with proven skills in all aspects of U.K. and international lending, including syndications, documentation, propositions, etc.

Initially responsibilities will be in-house, but the successful applicant can expect progression to credit manager, which will involve marketing.

Remuneration will include the full range of fringe benefits.

Please contact Brian Gooch.

Jonathan Wren & Co. Ltd., Banking Appointments,  
170 Bishopsgate, London EC2M 4LX. Tel: 01-623 1266

## Investment Bankers

Due to rapid expansion of our international financing activities, we are seeking to appoint one or more Business Development officers at DIRECTOR or ASSOCIATE DIRECTOR level.

Successful candidates will be part of a team responsible for major international corporate and governmental financings in various world capital markets and for marketing a full range of international financial services. Although based either in London or Chicago, there will be considerable involvement with overseas clients requiring travel abroad. Applicants will ideally be in their early 30's and will have had at least five years' banking experience.

This is an opportunity to join a rapidly growing International Capital Markets Group, with the wholly-owned merchant banking subsidiary of Continental Illinois Corporation.

An attractive salary will be commensurate with experience and will be supplemented by a substantial range of fringe benefits.

Applications in confidence to: Stephen C. Bourne, Personnel Manager, Continental Illinois Limited, 162 Queen Victoria Street, London EC4V 4BS.



**CONTINENTAL ILLINOIS LIMITED**  
A SUBSIDIARY OF CONTINENTAL ILLINOIS CORPORATION U.S.A.

## Finance/Business Development Professional

*for an entrepreneurial role in international trading*

This successful British company provides comprehensive representation and marketing services to the international coal industry and acts as a resource development agent worldwide.

Prime accountability will be for the initiation, financial analysis and evaluation, and establishment of new international commercial and investment ventures. Involvement will be in all aspects of the business and success should bring a directorship in the medium term.

Candidates, with a finance or business qualification, will be senior financial professionals with relevant experience in international trading. Age 30 to 45.

Salary not less than £17,500. Quality car. Overseas travel. Relocation costs, as appropriate, to a pleasant South London/Surrey border location.

Please write - in confidence - to John Hodgson ref. B.18206.

*This appointment is open to men and women.*



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Canada France Germany Ireland  
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**Management Selection Limited**  
International Management Consultants  
52 Grosvenor Gardens London SW1W 0AW

## ASSISTANT TO FINANCIAL CONTROLLER

Up to £10,500

**An opportunity for a young Chartered Accountant to move up into financial management.**

Schlumberger (UK) Limited heads a group of companies involved in industrial measurement, systems and electronics. The group includes Membran, Sangamo Weston and Solartron - all specialist companies and all extremely successful in their respective fields. To strengthen the head office financial management team, we're looking for a graduate, a young ACA, who's ready to take on a management role.

As Assistant to the UK Financial Controller, although based at Farnborough, you'll be regularly visiting our operating units at Bournemouth, Enfield, Felixstowe and Glasgow - to carry out internal audits and special projects such as cost control exercises and implementing management information systems. You'll also be assisting in the preparation of annual budgets, quarterly accounts and generally keeping your finger on the financial pulse of these companies. This experience should stand you in good stead before moving into site financial management.

But while we expect a lot from you we're prepared to give a lot in return. The career opportunities, salary and benefits package are calculated to attract the best into a company where only the best will do!

If that's the kind of career opportunity you've been looking for contact Ian R. Crane, SMC (UK) Limited, Victoria Road, Farnborough, Hampshire. Tel: (0252) 44433.

**Schlumberger**

## FINANCIAL ACCOUNTANT

Our client is a fast-growing private Group of Companies engaged in the manufacture, distribution and sale of toiletries and bath accessories. Turnover is currently £3.5m per annum and is expected to increase substantially.

The Financial Accountant, who will report directly to the Managing Director, must:

- be a qualified accountant aged between 28-40
- have extensive experience in the development and introduction of computerised accounting systems, controls and reporting functions
- be an able manager, capable of building and controlling a team and dealing with the administrative problems of running a business.
- have a dedicated and highly motivated approach to his/her work.

The appointment will initially be to the Parent Company but future involvement will be throughout the Group. Prospects are excellent. The salary package, which is negotiable, will depend upon experience.

Applicants should apply with a curriculum vitae to:

P A Beer Esq, FCA  
H W FISHER & CO  
Chartered Accountants  
67/76 Long Acre London WC2E 9JW

## SETTLEMENTS

**Nesbitt Thomson Limited**

Require assistant early/mid twenties. Some knowledge of Canadian domestic bonds and Eurobond settlements desirable but not essential. Experience of London gilts would be helpful. Good promotion prospects for right applicant. Salary negotiable but in range of £5,000-£6,250.

Please write with details to:-

**JACK MITCHISON, NESBITT THOMSON LIMITED**  
Roman House, Wood Street, London Wall, London. EC2Y 5BA

## BUSINESS MINDED

34+ c. £13,500 + package

As Chief Accountant you will be involved in all aspects of group financial management within this London-based international organisation.

The ideal profile for this post includes qualification to at least A.C.A./A.C.C.A., a sound track record of business experience (preferably from within multi-nationals) showing knowledge of group accounting procedures at a senior level.

This organisation is expanding and can therefore offer the successful candidate an interesting opportunity. Excellent terms and conditions.

**ROBERT MILNE**  
01-439 4381

**Portman Recruitment Services**

## Business Development Manager

**Oxfordshire**

up to £11,000 plus Car

Our client is a division of a major international organisation and comprises several industrial companies supplying a variety of markets from home improvements to the transport industry. This challenging post is based at the Division's Head Office in Oxfordshire.

The successful candidate will manage a small team of market specialists responsible for the development and operation of business control and planning systems and the provision of a comprehensive commercial intelligence system for the Division.

Candidates, with a degree and/or an accountancy qualification, should have several years' experience in corporate planning or business analysis and forecasting of industrial or consumer markets. Proven ability to work on major strategic projects is essential.

Excellent benefits include generous relocation assistance, where appropriate. Attractive career prospects are group-wide.

Please write with full details. These will be forwarded direct to our client. List separately any companies to whom your application should not be sent. Ref. B.1951.

*This appointment is open to men and women.*

**ASL CONFIDENTIAL RECRUITMENT**  
A member of MSL Group International

17 STRATTON STREET  
LONDON  
W1X 6DB

## Asst. Co. Sec.

£14,500 p.a. inc.  
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RECRUITMENT CONSULTANTS

35 New Broad Street, London EC2M 1NH  
Tel: 01-588 3588 or 01-588 3575  
Telex No. 887374

A demanding appointment—scope to become Commercial Director in 6-12 months and Managing Director in 2-3 years.



## COMMERCIAL MANAGER

BUCKINGHAMSHIRE

£16,500-£24,000

HIGHLY SUCCESSFUL SPECIALIST MANUFACTURING AND MARKETING ORGANISATION

We invite applications from candidates aged 32-40, who have acquired not less than 6 years experience selling a technically engineered product or similar, and at least 2 years with a financial/commercial responsibility. The initial brief will cover taking over financial planning—buying forward—pricing policy and learning this specialist business—thus the successful candidate will be expected to take over the running of the business, which is built on technical excellence, service and a superb client relationship. A high level of numeracy and the ability to work effectively in a flexible environment is important. Initial salary negotiable £16,500-£24,000 + car, contributory pension, free life assurance. Applications in strict confidence, under reference CM4068/FT, to the Managing Director.

A key position with scope to move to a more senior position on the Continent or in the U.K.



## BUSINESS SYSTEMS MANAGER SPEAKING

LONDON

£14,000-£21,000

MAJOR INTERNATIONAL CHEMICAL GROUP

This new appointment calls for candidates aged 28-38, fluent in French, who have acquired a minimum of 5 years experience in an international company, utilising modern marketing and control procedures, and at least 3 years' identifying and implementing systems. This experience could have been acquired with management consultants. Reporting will be to the Managing Director. Responsibilities will cover identification, recommendation and implementation of new business equipment systems and acting as Deputy to the Managing Director on special projects for the United Kingdom Company. Some travel will be necessary to study systems in the Group overseas. An enquiring and commercial mind plus the ability to make a notable contribution to the U.K. company's increased profitability is important. Initial salary negotiable £14,000-£21,000 + car, non-contributory pension, free life assurance, free family B.U.P.A. assistance with removal expenses if necessary. Applications in strict confidence, under reference CM54067/FT, to the Managing Director.

CAMPBELL-JOHNSTON ASSOCIATES (MANAGEMENT RECRUITMENT CONSULTANTS) LIMITED  
35, NEW BROAD STREET, LONDON EC2M 1NH. TELEPHONE: 01-588 3586 or 01-588 3574. TELEX 887374

## International Corporate Auditors

UK BASED

c. £11,000

OUR CLIENT: a two billion dollar US multi-national group now seeks to recruit two newly qualified ACAs to augment their existing management team.

RESPONSIBILITY is to the Audit Manager for operational audits of marketing, personnel, production control, acquisitions and treasury function: systems audits using in-house devised audit packages, and limited review audits. Operating from your home you will spend approximately 30% of the year in the UK with the remainder in Western Europe, South Africa and Australasia.

PROMOTIONAL opportunities are excellent as the organisation pursues an aggressive career progression plan.

APPLICATIONS are invited from newly qualified ACAs with sound experience gained within a top international professional practice. The ability to communicate in either French or Spanish would be an added advantage. Self-motivation, social awareness and the ability to succeed are the essential qualities required in this demanding but fulfilling role.

TO APPLY please telephone or write in confidence to M.J.R. Chapman quoting ref: 5430.



**Lloyd Chapman Associates**

123, New Bond Street, London W1Y 0HR 01-499 7761

## Acquisitions

**Assistant to Chairman**

Salary: £15,000

Location: London

Our client is a fast-growing diversified company whose current turnover of £30 million is expected to double in the next few years. We seek a young, dynamic executive with a financial and/or legal background who will work directly with the Chairman on acquisition studies, shareholder negotiations, and company evaluations. The individual must be prepared to work long hours and to travel extensively.

As consultants to management, we undertake not to release the name of any respondent to our client without his/her express permission.

Replies to Box No. A7662, Financial Times, 10, Cannon Street, London EC4A 4BY.

## LONDON STOCKBROKERS

REQUIRE

**RIGHTS CLERKS**

With experience of overseas Securities

An attractive salary package is negotiable according to experience

Apply in Box A7664, Financial Times, 10, Cannon Street, EC4A 4BY

## Financial Accountant

Greenford, Middx. up to £12,500 (inc)

We are responsible for the UK manufacture of Glaxo Pharmaceuticals and their sale in this country.

A qualified Accountant is required to fill an important position within the finance function at the Company's Head Office, Greenford, Middlesex. The person appointed will play a leading role in managing the Company's accounting systems covering all locations and will be actively involved in the preparation of accounts and other financial exercises.

Applications are invited from individuals of proven ability who can demonstrate a successful career to date. The position is likely to be filled by a graduate chartered accountant with a good professional background.

In addition to a competitive salary the Company offers excellent conditions of employment including a profit sharing scheme and non-contributory pension scheme.

Please write for an application form to Miss V. A. Waters, Site Personnel Manager, Glaxo Operations UK Ltd., Greenford Road, Greenford, Middlesex; or call 01-422 3434, ext. 2322, quoting ref: B.202.

**Glaxo Operations UK LIMITED**

## GROUP ACCOUNTANT

An industrial Group with subsidiaries located principally in the London area, wishes to recruit a self-motivated and professionally qualified Chief Accountant.

The main duties include preparation of financial accounts and management information, cash flow reporting, financial forecasting and consolidating of accounts. There will be an emphasis on financial planning and the introduction of computerised systems along with development of management reporting procedures.

Excellent salary and fringe benefits.

Please write Box A7666, Financial Times, 10 Cannon Street, EC4A 4BY.

## Hoggett Bowers

Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

## Group Legal Adviser/Deputy Co. Secretary

Home Counties, c.£18,500 + car + excellent relocation if required.

Currently earning profits using 21st century technology, our client is a U.K. company pioneering the commercial exploitation of isotope products. Leaders in their field since the early '40s, and with a current turnover of £50m, they are now a rapidly expanding international operation. This position reports to, and deputises for, the Secretary, and will advise company management on a broad range including corporate, regulatory, commercial and international matters, will manage the legal department and operate the central administrative functions. Candidates, in their late 30's and qualified lawyers, must have demonstrable commercial and secretarial skills and the ability to become a real asset in the company's management team. The succession prospects are real.

Mrs. E.H. Kirkham, Ref: 15031/FT. Male or female candidates should telephone in confidence for a Personal History Form 01-734 6832, Sutherland House, 5/6 Argyle Street, LONDON, W1E 6EZ.

## Hoggett Bowers

Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

## Financial Director

Independent Brewery Group North West

This new appointment is with an expanding family controlled public company. Current turnover exceeds £15 million with pre-tax profits £2.75 million. The accounting function operates smoothly, yet requires the skills and technical expertise of an experienced management accountant to make it totally effective. However, it will be as a Finance Manager, and as a key member of the Chief Executive's team where the greatest contribution will be made. Applicants, 35-45, almost certainly Graduate Chartered Accountants, ideally will have experience in a major professional firm, process manufacturing industry and retailing. They will be the senior financial person in their present company and be prepared in tax and treasury matters. The remuneration package will include a substantial basic salary, mortgage assistance, share options, company car, and generous relocation assistance. Considerable opportunities exist within this developing company and only exceptional candidates will be considered.

R.D. Howgate, Ref: 27203/FT. Male or female candidates should telephone in confidence for a Personal History Form 061-236 8881, Sun Life House, 3 Charlotte Street, MANCHESTER, M1 4HB.

## COMPANIES JOURNALIST - INTERNATIONAL INSURANCE/REINSURANCE

An energetic, young, financial journalist is required to work on the Companies Section of our internationally respected newsletter, WORLD INSURANCE REPORT, plus other associated information projects. The successful applicant will

- be able to gather news and write compact analyses on organisations operating on a worldwide basis in non-life insurance markets
- be capable of discussing technical and financial insurance matters with senior insurance executives, underwriters and intermediaries
- work well with WIR's existing network of UK and overseas correspondents.

Educational and/or professional background in a numerate discipline, an international outlook and reading ability in a second European language are all highly desirable. The job may suit someone now working in an operational or information area of the insurance industry, wanting to move back into the communications business. However, three years' qualifying experience as a journalist would be essential. Salary by agreement within company structure. Five-day, 40-hour week plus fringe benefits.

Please write with full curriculum vitae to:- Susan Smith, Personnel Officer

## FINANCIAL TIMES

The Financial Times Business Information Limited  
Bracken House, 10 Cannon Street, London EC4A 4BY

## FINANCIAL FUTURES

International Commodity Trading Group

The immediate task is to develop a financial futures trading team in London, working in tandem with the company's U.S. headquarters where our Client is a major name in this market.

Candidates should be experienced traders with proven expertise in the financial instrument markets, and may be skilled in euro \$ and sterling deposits, gilts or bond dealing. Whilst experience of financial futures would be an obvious advantage, aptitude, enthusiasm and trading capability are the key ingredients for success in this competitive environment.

This is a new appointment with a well-established and successful organisation which offers significant opportunities both for personal and financial advancement.

Contact Norman Philpot in confidence on 01-248 3812

## NPA Financial Futures Division

60 Cheapside, London EC2. Telephone 01-248 3812

## Project Cost Controller

ACMA ±25 ans

Londres-Ouest ±\$11.000

Notre client est la filiale Britannique d'un important groupe français, qui connaît une croissance rapide et profitable. Cette société assure des services techniques importants dans l'industrie de la prospection pétrolière et opère dans plus de 50 pays.

Dans un premier temps, le candidat recruté devra assister les unités à l'étranger dans le contrôle de leurs coûts et budgets, dans le suivi des résultats et dans la présentation de ceux-ci à la direction, à Londres ou à Paris. La réussite dans cette fonction conduira le titulaire à assumer de plus grandes responsabilités dans le développement de la société.

Pour cette fonction, il est indispensable d'avoir un diplôme comptable, de préférence ACMA, parler couramment le français et avoir une familiarité avec la terminologie comptable française. Une première expérience de systèmes comptables informatisés est souhaitable. Le candidat doit avoir la capacité de travailler de façon indépendante, et doit pouvoir faire preuve d'initiative et de détermination. L'âge idéal est de 25 ans.

Please reply in confidence, in either French or English, giving concise career and personal details and quoting Ref. EFS13/FT to P.J. Williamson, Executive Selection.

**AMS**

Arthur Young Management Services  
Rolls House, 7 Rolls Buildings  
Fetter Lane, London EC4A 1NL

Member of the AMSA Group in Europe and of Arthur Young International

## Accounting Systems Manager

Our Client, a profitable major high-technology manufacturing company in outer London, is seeking a professionally qualified accountant with an appreciation of computer technology, to fill the above senior position. He or she will review and analyse existing information systems and determine, co-ordinate and implement new financial, fully-integrated and cost-effective computerised systems to satisfy the need for data and information essential to management decision making.

The ideal candidate will be:

- ★ 28-40 with a professional accounting qualification.
- ★ Experienced—6 years—in industrial accounting, operating sophisticated financial controls in a manufacturing environment.
- ★ Interested in developing his or her career beyond the scope of this appointment.

A significant five-figure salary, company car, medical insurance and excellent career prospects are offered together with generous relocation.

Apply in confidence:

**Michael Quest**

Associates (Ref. NS29)  
(Management Selection Consultants)  
c Lower Teddington Road  
Kingston, Surrey KT1 4ER 01-483 0781/2

## ASSISTANT MANAGER, FINANCIAL SERVICES

The manager of the department dealing with the general financial services of the bank requires an assistant, preferably with an accounting qualification. The successful candidate will have considerable experience of preparation and critical review of financial and statistical reports on all aspects of management accounts and reporting. The lack of an accounting qualification may be compensated by a banking background covering these duties. Aged up to 36 years, the salary would be around £13,500.

## SETTLEMENTS SUPERVISOR

A European bank seeks someone with in-depth experience of all aspects of foreign exchange back-up as well as FX accounts on a computerised system. This is a new position demanding the ability to set up new systems and control staff. Ideally aged between 25-35 years. Salary up to £12,000.

## NO. 2 DEALER

A small international bank is seeking a dealer, strong on the FX side, conversant with spot and forward with some deposit experience. Mid 20s to 30 years. Salary £12,000.

## BSB Banking Appointments

115-117 Cannon Street, London EC4A 5AX  
Telephone 01-623 7317 & 01-623 9161

## CHIEF FOREIGN EXCHANGE DEALER

Leading U.S. Bank requires experienced Chief Foreign Exchange Dealer. This position has become available because of business expansion and proposed internal structural changes in the dealing area.

The ideal candidate will be up to 40 years of age, highly motivated, with a proven record of successful trading ability.

An excellent remuneration package will be offered commensurate with the seniority of the position. Please write with full career and personal details to Box No. T10-409, Reynell Advertising, Eldon Chambers, 30/32 Fleet Street, London, EC4Y 1AA. Applications are forwarded to the client concerned, therefore, companies in which you are not interested should be listed in a covering letter to the Recruitment Supervisor.

## CUT THIS OUT

If you are a Senior Executive you may need one day, the day you suspect your job is at risk. The sooner you come to us the sooner you will be back in a new and probably better job (80% of our clients get higher salaries in their new jobs).

If it has happened already contact us without delay. No one can help you better than Europe's most experienced 12 years' Executive Re-deployment organisation.

We specialise in probing the unpublished job market (50% of our clients take up unadvertised posts). Enquire how your employer can include outplacement services in your severance arrangements.

For a review of your career potential in the current market telephone for a meeting with one of our Senior Counsellors.

**Perry COUTTS & CO. LTD**

01-839 2271  
140 Grand Buildings,  
Trafalgar Square,  
London WC2N 6EP.

## Chartered Accountant

A young top level Chartered Accountant is sought by United Biscuits one of the most successful companies in the UK food industry, with extensive overseas interests particularly in North America.

The successful candidate, male or female, will have considerable responsibilities for financial reporting and full involvement in a broad range of financial tasks as well as responsibility for accounting staff. This important post is based at Group Headquarters in Isleworth, Middlesex. Candidates (preferably mid-late 20s) must have been qualified for at least two years, have a first class track record and be able to demonstrate the ability and ambition to take advantage of the career opportunities offered by United Biscuits. Excellent remuneration plus company car. Relocation expenses. Other benefits will be commensurate with a senior management appointment.

Please write or telephone for an application form and job description to: D.A. E. Wright, Director, Manpower, Personnel and Employee Benefits, United Biscuits (UK) Limited, Grant House, P.O. Box 40, Syon Lane, Isleworth, Middlesex, TW7 7BN. Tel: 01-890 3101 Ext. 4017.

**UB** United Biscuits (UK) Limited

## WANTED: SLIGHTLY USED EXECUTIVES

If you are an able, experienced executive or professional person, yet somehow are not making the most of your potential, perhaps you need a new approach to your career.

To learn how 'slightly used' executives have profited from renewed their careers, telephone for a free, confidential appointment with a consultant, or send us your CV.

**CHUSID** London: 01-580 7861, 35-37 Fitzroy Street, W.1. Manchester: 061-228 0889. Percival Plaza, The Professionals in Career Consulting

## Business Development

Business Development executive is required by an international bank. Applicants should be aged 30/40 and have held a senior position in a business development team, concentrating on UK corporate business covering trade finance, acceptance credits, ECSD etc.

**3 Credit Analysts** £9-£12,000 We have 3 vacancies for experienced, up to 4 years, credit analysts aged 25/35 who have appraised UK balance sheets. Cash flow, funds flow and credit risk experience is needed, for one position German would be useful.

**Foreign Exchange Dealer** £12,000 A number two dealer required aged 25/30 for an international bank. Experience in spot and forward dealing, cable dollar/sterling is essential. Some discount dealing would be useful. Clearing or foreign bank background preferred.

**2 Credit Analysts** £9,500-£10,000 Two Credit Analysts aged 25+ required with U.S. credit training background and knowledge of Spanish, French or Portuguese (not essential). One position will cover Latin American and European credits where 3-4 years' experience is required and the other for bank analysis later leading to corporate Latin American market analysis.

**LJC Banking Appointments Ltd.**  
170 BISHOPSGATE, LONDON EC2M 4LX.  
01-283 9953

## EXECUTIVE APPOINTMENTS

Top level executives on the move use Europe's most effective Career Planning and Executive Placement service. Our access to unadvertised vacancies, dynamic marketing, and knowledge of the employment market ensures success. Only Connaught offers a success-related fee structure to executives of proven competence.

Contact us for a confidential assessment meeting.

**Connaught** Executive Management Services Limited  
73 Grosvenor Street, LONDON W1 - 01-493 8501

## Eurobond Trader

Experienced secondary market trader with good exposure to straight and floating required for large American bond room.

## Principal Dealers

Foreign Exchange/Money Market Two American dealing rooms wish to recruit senior dealers, one money market, the other foreign exchange. Both No. 1 positions. Two European banks require young Foreign Exchange dealers with experience in spot and forward and some Eurocurrency deposits as No. 2s.

## Lending Officers

An international trading organisation with a banking presence in the City requires a senior lending officer with specific knowledge of trade finance in the Middle East, also of international syndicated lending. A junior lending officer is required by a leading international bank. Primary requirements are a degree, formal credit training and the attachment to a specific team. Salary £12,000.

PLEASE SPEAK TO SHEILA JONES

OLD BROAD STREET  
**BUREAU LIMITED**

STAFF CONSULTANTS  
01-588 3991

## Export Finance Lawyer or Economist

THE GENERAL ELECTRIC COMPANY LIMITED—a UK major exporter—requires a Graduate with a Law or Economics degree, to specialise in Project Finance in the Contracts Department at Head Office. The person appointed will be expected to advise GEC units on Buyer Credit and other export finance arrangements for capital goods projects and will be involved in negotiations with ECGD and major banks. Experience of negotiation and operation of Buyer Credits in the Engineering Industry or in the Banking Sector is essential.

GEC, because of its size and diversity of projects can provide the successful applicant with a breadth of experience in Export Finance unrivalled in British industry.

Please write to

**S&C** J. N. Scott, Director of Contracts, The General Electric Company Limited, 1 Stanhope Gate, London W1A 1EH.

## Secretary/PA To Managing Director

Lancashire/Cheshire border £8,000+

This executive position offers a career secretary the chance of real involvement in the management of a successful company which is now diversifying and preparing for further growth. It is definitely not a nine-to-five job and calls for resilience and initiative as well as secretarial skills of a high order and graduate level in intelligence. Current experience at a similar level in industry or commerce is essential. For the exceptional candidate rewards can be well above your existing remuneration and relocation assistance is available. Replies, which will be treated as strictly confidential, should give details of career and education and be sent to:

Jan Brauner, PA Management Consultants Limited, Norwich Union House, 73/79 King Street, Manchester M2 2JL.

# International Appointments

## Major International Bank

Milan

This major international Bank is seeking an outstanding and experienced banker to head a business development team in Milan. The post requires strong marketing and credit skills allied with a close knowledge of Italian corporate banking as well as the international environment. Fluency in English and Italian will be essential. Career prospects are excellent, both in Italy and elsewhere within the Bank's network, and are not limited to the marketing function. Candidates should now be at mid-career, probably in their mid or late 30s with extensive

experience in a major international, ideally American, Bank. Location: Milan. Interviews will be held on 19 and 20 November in London. Write for an application form or send brief CV to the address below, quoting ref. SM517804/FT on both letter and envelope, and advising us of any other applications you have made to PA Personnel Services within the last twelve months. No details are divulged to clients without prior permission. Initial interviews will be conducted by PA Consultants.

### PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874



A member of PA International

## Commissioner for Securities

Hong Kong Salary £31,070 p.a.\* + 25% gratuity

- Low tax area - maximum 15%
- Medical/dental benefits
- Annual leave with paid passage

- Subsidised accommodation
- Children education allowance
- Holiday visits for children educated overseas

Applications are invited for appointment as Commissioner for Securities in the Government Secretariat, Hong Kong. This is a senior appointment at directorate level and the responsibilities of the post include:

- (a) administer the Securities Ordinance, the Protection of Investors Ordinance and the Commodities Trading Ordinance, including rules and regulations made thereunder; the Code on Takeovers and Mergers; and Codes of Practice in respect of Unit Trusts and Mutual Funds;
- (b) to be Member of the Securities Commission and the Commodities Trading Commission;
- (c) put proposals to the Chairman of the Securities Commission and the Commodities Trading Commission on the regulation of exchanges procedures and on other matters concerned with trading in securities and commodities;
- (d) administer various compensation funds established under the Securities Ordinance and the Commodities Trading Ordinance;
- (e) liaise with the Hong Kong Federation of Stocks Exchange and the Commodities Exchange;

(f) keep under regular review the effectiveness of existing legislation and advise on necessary amendments or on the need for fresh legislation; and (g) other relevant duties.

Candidates for the post should have (a) good general education, preferably to degree standard; (b) wide financial, commercial, legal, or banking experience; (c) a good understanding of finance matters in general (an understanding of the financial situation in Hong Kong would be an advantage); and (d) a wide knowledge of stock exchange procedures and operations.

The salary for the post is HK\$29,000 per month (approx. £31,070 p.a.\*). The appointment will be on agreement for a period of three years with 101 days local leave and 45 days overseas leave for each 12 months period of service.

For further information and application form, please contact the Hong Kong Government Office, 6 Grafton Street, London W1X 3LB by telephone (tel. no. 01-499 9821). Closing date for return of application forms: 13 November 1981

\*Based on exchange rate: HK\$11.22 = £1.00. This rate is subject to fluctuation.

Hong Kong Government

## Senior Financial Opportunities

Oil/gas industry The Gulf

The Abu Dhabi Gas Liquefaction Company is a major international company employing a multinational workforce in the production and distribution of liquefied gases. Its plant, situated on Das Island, has a capacity of over 3 million tons per year, and

is one of the largest and most sophisticated in the world. The following senior financial professionals are required to work in the head office which is centrally located in Abu Dhabi, a thriving, modern, cosmopolitan city where English is widely spoken.

### Internal Auditor

Reporting to the Finance Manager, this key new appointment will be responsible for identifying, setting-up and operating internal auditing systems and programmes, and for undertaking ad hoc financial assignments. Candidates, aged 30-45, should have at least 7 years' broad-based financial and management accounting experience providing

### c.£20,000+bonus

a practical knowledge of general and integrated accounting systems; budgetary control, costing, year-end accounts, contracts and agreements with loans and cash funding, insurance and banking. They should be conversant with the applications and should be experienced in dealing with audits. Reference: AA57/7787/FT.

### Controller Budgets

Will be responsible for co-ordinating the preparation of annual capital and revenue budgets, for ensuring cost reports are compiled and despatched monthly, and for identifying, investigating and reporting variances between actual and budget costs. Professionally qualified candidates, aged 27-40; should have at least 5 years' management accounting

### c.£18,750+bonus

experience, including at least 2 years in a supervisory capacity. They must have a good working knowledge of the theoretical and practical aspects of computerised accounting systems, with particular emphasis on costing and budgetary control procedures. Reference: AA57/7787/FT.

For both posts, applications from Arab nationals who are fluent in English will be welcomed, and petrochemical industry experience will be advantageous. Initial 3-year married or single-status contracts will be offered. The first-class terms and conditions include: • salary and annual bonus (approx. 15% of salary) paid in local currency and free of local tax; • modern, tastefully furnished, air-conditioned accommodation • 48 days' leave per year plus family passage home • interest-free car

loan • educational assistance • free medical attention. Write for an application form or send brief CV to the address below, quoting the appropriate reference number on both letter and envelope, and advising us of any other applications you have made to PA Personnel Services within the last twelve months. Details may be forwarded to the client through the consultant who will be conducting the initial interview.

### PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874



A member of PA International

## Excellent Career Entrée into Diversified Multinational

### FINANCIAL CONTROLLER

Initially Zimbabwe

Package to £17,000 + car, accom., etc.

This appointment, within our client's profitable and growing Zimbabwean operations, is an opportunity to join a major (£1 billion) diversified multinational group and obtain an excellent base of experience for further career development.

After induction at the London head office, the successful candidate will spend a period of time controlling the finance function of the Zimbabwean companies, and then be redeployed elsewhere in the group. In the initial task there is an emphasis on financial and management accounting, systems development and costing.

Candidates will be career-conscious qualified accountants in their late 20's to early 30's with line experience in a manufacturing or similar environment. In addition to financial skills, commercial acumen and adaptability are prime attributes.

Written applications containing career details should be forwarded, in confidence, to Anthony J. Forsyth B.Sc. at our London Office quoting reference no. 3440.

410 Strand FREEPOST London WC2R 0BR.

Tel: 01-836 9501

26 West Nile Street FREEPOST Glasgow G1 2BR.

Tel: 041-226 3101.

3 Coates Place, Edinburgh EH3 7AA. Tel: 031-225 7744.

**DOUGLAS LLAMBIAS**  
Douglas Llammbias Associates Limited  
Accountancy & Management  
Recruitment Consultants



## Senior Commodity and Investment Roles

"Blue Chip" Organisation The Gulf

These appointments offer enviable opportunities to join one of the world's largest and most successful investment organisations in roles which are designed to be highly rewarding from both content and personal view points. The organisation enjoys a high reputation for professionalism and performance and the appointed candidates will form key parts of its commodity trading operation.

All positions carry tax free negotiable salaries, car or transportation allowance, generous annual leave, free accommodation, school fees and insurance cover.

Please write in strict confidence to G. E. Yazigi or telephone 01-730 0255 quoting the appropriate reference.

### Investment Manager

Major responsibilities will include recommendation and implementation of investment strategy and trading tactics and control of funds, cash flow and management information reports. Candidates, preferably graduates, must have extensive experience in commodity related investment ideally in precious metals and also in portfolio management. Ref. B.1160-1.

### Bullion Dealer

The main responsibility will be for the trading function and the controlling of settlement with counter parties. Experience in commodity dealing, particularly in precious metals is mandatory, as well as in dealing at substantial levels in international physical and future markets. Ref. B.1160-2.

### Investment Analyst

Will be largely responsible for investment evaluation and recommendation, analysis of market developments and monitoring portfolio performance. Ability to examine and appraise individual investment opportunities is inherent in this position. Candidates, most probably graduates, must have experience in macro economic analysis, as well as knowledge of world-wide investment strategies. Ref. B.1160-3.

**MSL middle east**

Management Selection Limited

International Management Consultants

52 Grosvenor Gardens London SW1W 0AW

## PROJECT DIRECTOR

JEDDA,

SAUDI ARABIA

British Livestock (Farm Management) Limited have contracted to manage a food production programme in Saudi Arabia.

A milk processing factory producing ice cream, yoghurt, leben, and milk is currently being rehabilitated and will distribute its production locally and nationally.

The supply farm has a herd of 1,600 cows managed by a very experienced European team. The factory has a full complement of highly experienced U.K. personnel to cover all departments. A project director is required to control management functions, including financial controls. Background with fast moving consumer goods necessary. Does not require farm experience.

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# THE MARKETING SCENE

EDITED BY MICHAEL THOMPSON-NOEL

To what extent will new media technologies alter the picture for advertising and marketing research? In the view of Harold Lind, there are fascinating opportunities in prospect

## Research and the new media

THERE IS a widely held belief that one of the peculiarities about advertising is an almost unique difficulty in assessing its success. It is held alike by people in the business and those outside, and its motto is that old saying of Lord Leverhulme: "Half my advertising budget is wasted, but I never know which half."

Objections to this statement usually spring from a belief that it is grossly unfair to a noble industry.

In fact, what is wrong with the saying is not that it is unfair, but that it is banal. It does not say anything interesting about advertising, but merely something regrettably true about the world in general. It may be that half the money spent on advertising is wasted, but that in no way distinguishes advertising from any other business input.

One does not have to look at relatively complex and forward-looking inputs such as R and D, or plant construction, to make the point.

Yet if advertising's unpredictability merely reflects a sad feature of business life in general, is there any respect in which research into advertising effectiveness is more difficult than into other types of industrial input?

A surprisingly high number of advertisers still seem to have little idea of what their advertising is intended to achieve, in which case, of course, it is difficult to predict in advance whether a particular campaign will be successful, or to determine afterwards whether indeed it was.

There are two broad

categories of advertising research: pre and post. Ideally the first would tell you the extent to which a particular advertising concept was likely to achieve its ends, while the second would show you how far it had done so.

Of course the first type would be far preferable to the second, if the two produced equally valid results. It is helpful to learn that an expensive campaign has proved a flop, but

extent advertisers have to rely on their own skill and intuition and that of their advisers, the agencies, in determining the basic messages they want to transmit, and the media which should carry them.

But even the highest calibre of skill and intuition hardly confer infallibility, so the advertiser wants to know as soon as possible whether the advertising is having the desired result.

As we find out more quickly and accurately what commercials are watched, and even what effect they have on buying patterns, so retailers are becoming more adept at discovering and assimilating immediately what they have sold.

that type of information would have been even more welcome before a great deal of money had been laid out to make and broadcast the advertisements.

But the value of the research seems to depend almost completely on the value of the researcher, and is therefore not replicable, which is the first requirement of any scientific system. This type of research is made much more difficult because any direct attempt to find out people's views of advertising automatically invalidates itself, since in practice most people almost never consider advertisements as advertisements per se, but at best merely as transmitters of a more or less relevant message.

This means that to a large

extent this tends to be a combination of two questions: are enough of the right people receiving the message, and is it inducing them to react in the required way? The first question is dealt with by the whole immense apparatus of audience research—how many people watched a particular television programme, read a particular newspaper, listened to the radio, and so on.

Over the next few years major developments can be expected to affect the electronic media in particular. Already several European countries (for example, Italy, Spain and France) either already have or are in the process of introducing meter measurement for television, and the capacity of the meters is becoming ever more sophisticated.

Yet however sophisticated the techniques for measuring audiences, they can only answer the first and less important question. What matters is how many people react to the advertising in the way intended. Since advertising can be designed to fulfil a great variety of objectives, the kinds of measurement required may be equally various.

Of course, this is only a part, and a declining part, of all advertising expenditures, and even here many problems will remain. Nevertheless, we might get Lord Leverhulme's 50 per cent waste down to 45 per cent. At a time when, all over the Western world, a combination of government and trade union action seems to be increasing the waste element in all other industrial inputs, that would provide at least one criterion according to which advertising could be called unique.

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Furthermore, the information is by no means as easy to interpret as is often believed. Advertising can undoubtedly affect sales, but so can the activities of competitors, supply problems, general economic movements and even the state of the weather.

Is the new media technology going to alter this picture in any fundamental way? I certainly believe that there are some fascinating new research opportunities in prospect, although the likelihood, I fear, is that these too may raise as many questions as they answer.

The three most important developments for the future of advertising research can, in shorthand, be described as cable, electronic scanning and computer capacity.

The transmission of television by cable instead of off air is almost as old as television itself, but until recently most cables were extremely limited in capacity. New technology has changed this totally, so that the most modern forms of cable have an almost unlimited capacity both to transmit to the home and to receive from it.

There are already experiments in California and Japan, where viewers can engage in dialogue via their TV sets, for instance expressing their opinion of programmes, voting, or buying goods shown on commercials. For research purposes, great advances could be made with something far less complex than this. For instance, the old Adlab idea could now be revived, whereby neighbouring houses receive different commercials, and their subsequent buying patterns are tested.

As we find out more quickly and accurately what commercials are watched, and even what effect they have on buying patterns, so retailers become more adept at discovering and assimilating immediately what they have sold. The key here is electronic scanning, the system whereby electronic coding on packages records automatically at the till what has been sold, a record which can be transferred whenever desirable to a central computer.

All of these advances will naturally multiply the amount of data needing to be processed, so it is just as well that immensely more powerful computers and ever more flexible programmes are appearing. These three technical advances should be capable of a variety of interactions over the next decade, which will change the face of research into the effectiveness of advertising campaigns for fast moving consumer goods.

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## NATIONAL MARKETING AWARDS

### More kudos for Pretty Polly

AS PRESIDENT-ELECT of the Institute of Marketing, it will be Sir Patrick Meeney's pleasant task today to hand out the institute's national marketing awards at the London Hilton—pleasant because the joint winner in the £20m to £50m turnover category is Pretty Polly.

Britain's biggest branded hosiery manufacturer and a subsidiary of Thomas Tilling, of which Sir Patrick is group managing director and chief executive.

This is the third year running that Pretty Polly has won the award in its category, the other joint winner this year being Coleroll, of Lancashire, which makes wallcoverings and household linen.

Others winners: Category I (turnover above £50m): Barclays Bank International, Milan; Category III (turnover £5m to £20m): Froude Engineering, of Worcester; Category IV (turnover below £5m): Store Design of Dunfermline.

There are four main elements to Pretty Polly's marketing success: promotion of the brand name across all possible sales outlets; encouragement of

supermarket sales; determined investment in high-quality plant, and sustained and effective advertising (it has used the same agency, Collett Dickinson Pearce, for nearly 20 years).

Last year, Pretty Polly made a profit of £4.8m and showed a return on funds employed of 48 per cent. In the current year, despite stiff competition from Italian imports, which has disturbed the hosiery market's price structure, Pretty Polly's sales are expected to total £40m. It makes nearly 3m pairs of tights each week.

In the case of Coleroll, the co-winner in the £20m to £50m category, the judges cite the quality of its top management, specifically that of chief executive John Bray and managing director John Ashcroft who had shown the vision to realise that there were opportunities for growth even in declining markets, and had had the courage to invest in them.

In two years, Coleroll has established a turnover in excess of £5m in household textiles. In 10 years, total turnover has risen from £1.8m to £21.7m, with profits of £3m.

It tailors its business to the needs of expanding DIY and home improvement multiples, says the institute, and also carries comprehensive back-up stocks. It has reinvested its profits in a modern factory complex housing the most advanced print machines available.

In the case of Barclays International, winner in the £50m-plus category, the institute says that six years ago, a long-range plan was formulated with the aim of creating, within the context of European development, a comprehensive Italian presence.

Research indicated that Lombardy should be the prime geographic market. The two segments singled out for profitable development were the large international corporate sector and

the medium to small industrial and commercial one.

According to the institute, the promotional content of Barclays' marketing mix was liberally limited to a direct selling operation and to strong PR. The results speak for themselves.

There has been rapid growth in market share, balance sheet footings and profits. As a group, Barclays now ranks among the top 10 or so of Italy's 2,000 banks.

Froude Engineering, the £5m to £20m category winner, is a member of the Second Means International group and designs and makes engine bearing systems that are in use throughout the world. Since 1975, turnover has grown from £2.5m to £14.3m and profits from £231,000 to £1.5m.

According to the judges, Store Design, the smallest of the prize winners, has thrived on the UK High Street shopping environment and has consistently maintained a high standard of service.

Researcher, the institute says, has been a key factor in the success of the winners. The two segments singled out for profitable development were the large international corporate sector and

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## Penguin turns to television

IT IS almost unheard of in Britain for a publisher other than a part-worship producer or newspaper publisher to venture onto television to sell its wares. But that is what Penguin Books is doing to promote the paperback edition of Anthony Burgess's novel, *Earthly Powers*, the Booker Prize runner-up in 1980.

UK paperback sales last year totalled £250m.

The Penguin campaign starts next month on London Weekend and Westward Television. It will run for four weeks and cost a national equivalent of £100,000. In reality, the discounts offered to first-time TV advertisers mean the final bill will be very much lower.

The commercials will be seen on Sunday nights, during *The South Bank Show*.

Generally, the problem with television advertising so far as publishers are concerned is that

the economics of it are crazy," says Penguin's group sales and marketing director, Patrick Wright. "But in this instance they look attractive. Certainly we shall be disappointed if the TV campaign fails to sell at least 100,000 copies very quickly."

In paperback, *Earthly Powers* will retail at £2.50. In hardback, where it sold extremely well, it was published by Hutchinson, the LWT subsidiary. Penguin is part of Pearson Longman.

Ogilvy and Mather's London office is enjoying what chairman Peter Warren calls a "purple patch." Its new-business gains for the year already totalling well over £10m. Its latest gains are Hoverspeed, £1.5m, the Confederation of British Road Passenger Transport, £1.5m, Silhouette £500,000.

Other notable O and M gains this year include the FT, Cour-

age/Hofmeister, and Oracle. Hoverspeed has been formed to handle the hovercraft operations of British Rail's Seaspeed, and Hoverspeed of Bostons, the Swedish shipping firm, O and M is handling all advertising in France, Germany, Holland and Belgium, as well as the UK.

Hoverspeed hopes to make a significant impact on the cross-Channel ferry business, where competition is fierce. It hopes to carry 2.5m passengers and 400,000 cars next year, against 1980 combined totals of 2.25m and 300,000 in 1981.

Next year's UK advertising budget alone will total £1.5m.

The Confederation of British Road Passenger Transport is handling PR for the Look bus and coach operators. Aim of the O and M campaign will be to improve the image of bus and coach travel, so boosting the number of passenger miles.

Silhouette is Hodder and Company from January 1.

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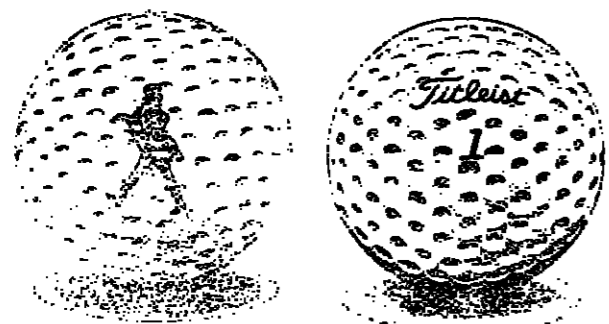
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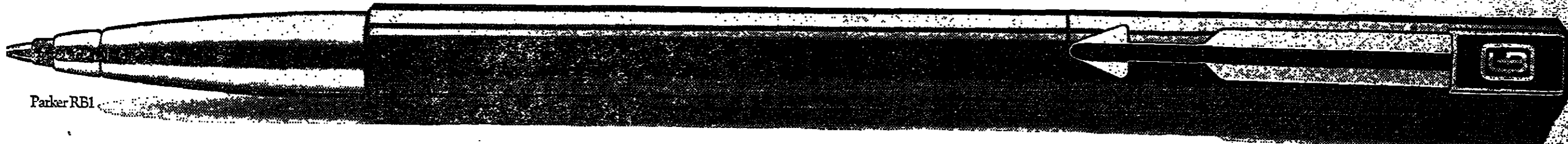
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## Théâtre des Champs Elyseés

# Hosanna

by ROSALIND CARNE

his fiercest put-down is her femininity.

Both of them want to make time stand still; Rossana to be loved, Cleopatra, Cuirette, to carry on cruising in the pitch-black park. But Cleopatra has to die, and eventually the lights go on.

Self-acceptance battles with self-hatred in a curiously successful melange of styles. After the realistic dialogue of Act I, the fourth wall fades, and Rossana addresses her monologue directly to her audience, as if she were dropping the role she has been playing to address an audience all her life. When Cuirette returns, the mood switches to yet another plane. Finally, "she" becomes "he" in that rare and wonderful thing in contemporary writing, a good ending.

The design by Geoffrey Scott is a tatty, cluttered, heavily perfumed boudoir, overshadowed by a painted Christ, one of Cuirette's earlier artistic efforts. The excellent translation from French is by John Van Burek and Bill Glasco, and the production, from the Birmingham Repertory Theatre, is directed by Bill Pryde. I have only one real grouch: must gay men always bear their mothers?

In these unsavory times, what more lifting to the ballet-goer's heart than the Royal Danes dancing Bournonville! As part of the Festival d'Automne, Paris was host to the company last week: on Saturday afternoon I saw *Kermesse in Bruges*, with *La Reine* as a curtain-raiser. What a lovely sight—viewing one of the Danes in Bournonville, is the sense of proportion, of rectitude, of physical well-being, propounded by ballets and dancers. When to days tends so often to excess in the matter of the intellectual, either in theme or in quest for daring, or even in the puritanical minimalism of the Post Moderns—Bournonville's nineteenth-century way is still a healthy flow of ideas and dancing! Lack lacking neither energy nor bravura, they seem aware of bodily and emotional disciplines that must be respected. Bournonville declared "excess is bourgeois," and—bless his weakness—kermesse—he was right.

woman's heart: to Carelis, a viol at whose music everyone must dance. Märchen and Johanna, fiancées of the elder brothers, are alarmed as to what has become of their lovers. They set out on their adventures.

Mirevelt conjures up visions. Adrian is shown fighting gloriously; Geert has been installed as the plaything of Mme van Everding, a wealthy widow.

Pui to the rack and thumbscrews, I would have to admit, is a very delightful thought. For me, I would not call it Bournonville's greatest creation—though the interaction of dance and drama is at all times masterly. But nothing could stop me watching it when Niels Kheibet was so splendid. Kheibet's impersonation of a jolly young man transformed by the magic ring into the beautiful ideal of the Netherlands is a marvel of comic playing, of feeling, wit and sheer rosd humour that I have never seen equaled.

Kheibet has always seemed to me the finest example of what Bournonville ultimately means today, both as virtuoso dancer and as actor, since for Bournonville these were the same thing. His performance is totally communicative, monstrously funny, and yet never mere clowning: there is an honesty and a passion in it, a sense of the sacred which controls and illuminates even the maddest moments.

Maddox, of all the third seasoners in which, got his up in egg-yellow satin, with a much-worn plumed hat. Geert copes with him in his sundry admirers.

During a diversissement, at a party—I could not watch more than a few minutes—Mme. Everding sits at the side of the stage, and with the ravishing Kirsten Simonsen as Mme von Everding sits at his side, and facing him across the stage Jette Buchwalden as a Creole beauty with a very warm complexion, and a black and white girgule. Mme von Everding cannot keep her hands to herself, she keeps by kissing and nibbling her fingers—which otherwise are drawn irresistibly to his inner leg. The dancing is to his high lord, the dashing young feather on his hat, his delight in his new status, and the occasional encroachments of other ladies.

The scene is convulsing, but done with the most innocuous good humour, and it is entirely right in its sense of character and in its respect for 18th century style. Some of the finest dancing is central to Bournonville as a master of narrative dance, and Kermesse celebrates the strength of the Royal Danes in dramatic tradition in using senior artists. Kirsten Simonsen can show the dignity as well as the desires of Mme von Everding, and the young actress, Jette Jensen is the sunniest of bourgeoisies as mother to Nara and Johanna; Niels Bjørnsen and Larsen is proud father as well as

alchemist; Fredbjörn Björnsson postures and registers disapproval as a butler, and scales his performance hilariously down so that it looks as if he were acting in a narrow doorway.

It is interpretations of this cast, quite as much as the more obvious pleasure to be gained from the performances of Anne-Marie Vessel and Dinnar Björn as Johanna and Märchen, and Johnny Eliassen as Adriaen, which provide the depths of feeling in the texture of Bourneville ballets.

Inevitably in *Kermesse*, decency triumphs. The magic gifts are abandoned, though not before Carelis and his lute have rescued Geert, Adrian and Mirevelt from the stake. And because this is Bourneville, the dancing is joyous. It is Mente Ida Kirk, who, as Hecht, Eleonora and Carelis, who sustain the chief technical demands. Both were delightful during the 1978 Copenhagen Festival; both have made notable progress since then.

Miss Kirk is light, fleet, vivid, darting so prettily throughout Eleonora's solos, yet retaining an attractive air of technical authority. Mr Hecht is sincere, unfussy, as acting, as well as in dancing. He seems very young, and there is something almost transparent in the freshness of his movement and in its open, joyful spring.

# Beethoven

by RICHARD JOSEPH

Alfred Brendel delivered the second instalment in his cycle of Beethoven Piano Concertos on Tuesday night, playing the Second and Third with the *London Symphony conducted by Claudio Abbado*. His touch in the early B flat major Concerto was clear and brittle, neatly suggesting the action of a late 18th century *hammerflöi* in terms of the modern concert grand. The playing was witty, not a little acerbic, adventurous in its use of and occasional rejection of

The Third Concerto was grander, more intense in delivery, though Brendel's articulation remained basically the same. Detached passage work was offset by a poised and memorable reading of the second movement that revealed its lyricism without exploiting it. Sentimentality has no place in Brendel's view of Beethoven. In the outer movements one could question some of his interpretive choices, but the essence of

this remarkable pianist's art is that he doesn't only play the notes, he speaks the language.

That Abbado and the LSO were able to maintain a lively dialogue with their soloist was much to their credit. Comparably crisp woodwind balances and a slightly reduced string body in the Second Concerto matched Brendel's viewpoint well.

A poorly tuned wind chord closely followed by a spray of late pizzicati announced that

Beethoven's First Symphony had not been thoroughly rehearsed. Despite this, Abbado managed to secure an internal balance that allowed us to hear his unreinforced woodwind clearly. And to discover a number of disagreements in tuning between clarinets and bassoons. His "structural" *ritardandi* in the first *allegro* were pedantically turned, with the initial tempo remembered only with difficulty.

## Record Review

# The tenor of jazz by KEVIN HENRIQUES

Americans Buddy Tate (ex-count Basie) and Dave Schmitts (ex-Art Blakey) and Bruce Braxton (ex-Ornette Coleman) and Danny Barker (ex-John Birks "Dizzy" Gillespie) then was—Dankworth) come from disparate backgrounds but all three share the common attribute of being highly accomplished tenor-saxophonists. All three adopt different approaches to the instrument. Tate, at 87 the veteran of this trio, is a direct link with the early tenor sax innovators, Coleman Hawkins and Lester Young, but as he pointedly demonstrates on *Buddy Tate and the Muse Allstars Live at Sandy's* (Muse MR 5198) he is very much his own man.

One of the sizeable and illustrious troupe of Texas tenorists—Herschell Evans, Ornette Coleman, Budde Johnson, Jimmy Guiffa and Budde Johnson—Jimmy Guiffa and Budde Johnson are the band leader of the other—Tate is here in peak, vigorous form, playing adventurously, propelled mightily by the finest of rhythm sections, pianist Ray Bryant, bassist George Duiviver and, on drums, the much overlooked Alan Dawson.

*These three make their vital*

in live performances. Not so here. His tenor does descend on the five tracks, no doubt ignited by the sparkling talent around him. On the fifth, "Blue Creek" (his own composition) Tate turns to clarinet and plays with restraint and almost sad calmness. It is a blues piece on which pianist Bryant sets the mood with Dawson stroking economically on brushes. Tate begins in the lower register, rises to a scorching screech, then, climbing without strain and building impressively.

Not until the final track, "She's got it," do fellow Texans, Eddie "Cleanhead" Vinson on alto and Arnett Cobb on tenor, get a hearing and considering that Tate and the "Muse All-stars" were recorded over two evenings it is odd that they are heard together only once on this LP. Tate does seem to have a few other albums from this "live" and lively meeting of six of the swingiest jazzmen around.

Dave Schmittner is the youngest of the three tenor men under consideration. In his early 30s, he first came to prominence

and, with one exception, plays to familiar standards, I have had to revise my opinion. For here, Schnitter suggests strongly that his performances with Blakey did not reflect his true ability or range. On five of the six tracks (the sixth is a vinyl-slick vocal by Schnitter) he plays with considerable inspiration and fire. Though his influences stand out prominently (Sonny Rollins the most obvious), his self-evident desire to avoid clichés and genuinely give it new but not distorted shape to familiar tunes such as "Where or When," "Darn that Dream," "I'll Remember April" and "These Foolish Things," makes the album an unexpected delight.

This is underlined by the only unfamiliar title, "Ellipsis," composed by bassist Mark Helias. This is a gentle-pop theme, melodically full of interest on which Schnitter, following several tracks of fruity improvisation, shows his more sombre, reflective side. Here, too, comes some warm trumpet from Claudio Roditi, a name new to me.

three tenorists under review. Danny Moss is the odd man out. But not in respect of his sensuous, warm playing so evocative of Ben Webster and so striking and immediately identifiable as anything from Tate and Schmittner.

The Danny Moss style is heard to good effect on several tracks of *The Pica Express All Star Jazz Band: Pica Pica 3506*. Accepted, which plays every Tuesday, the Pica HQ in Dean Street, Soho, contains some of Britain's best mainstream players. On 12 tracks everyone has a chance, albeit mostly brief, to solo. Moss dominates "Come Sunday," a showcase for his breathy style, where he solos against the muted trombone and trumpet and brings out the full tonal range of Duke Ellington's sax position. Yet, like many tenorists with a romantic touch, he has a grittier edge too. This is revealed on "Pal Sandy," a blues-drenched Brian Lemonon tribute to his late and still much-missed colleague, Sandy Brown.

Apart from Danny Moss's

# Koenig Ensemble

by PAUL DRIVER

The Koenig Ensemble has chosen interesting programmes for its series of three 20th century chamber music concerts at the Purcell Room. Each features a work for reciter: an instrument—the 20th century genre one could argue—and offers relatively unfamiliar items of other kinds, such as the songs and piano duet of Lord Berners, scheduled for the third concert, Shakespeare's *Timon of Athens*, and Shakespeare's *Titus Andronicus*. One Who is also included in the second, on Tuesday, alongside Bartok's *Contrasts* for clarinet, violin and piano and Schoenberg's *Ode to Napoleon*.

Three passionate pieces certainly received passionate performances on this occasion. The Bartok work particularly benefited from the players' barely contained musical excitement and seemed much bigger, more sustained than it actually is. The violinist, Paul Barritt, used considerable subtlety of intonation and has a good knowledge of the work. Usually neither he nor clarinetist David Fuest were credited in the programme.

The *Ode to Napoleon* was sent on its hectic way with just the right bitter, sarcastic blasts of energy from Jan Latham

Koenig's piano. The busy string quartet writing was made to sound incisive and clear by the anonymous members of the ensemble; and David Wilson-Johnson's recitation, supple and strong if not impeccable as to ironic nuance, added the third ingredient to a cumulatively powerful whole.

The lights went down for the Japanese song cycle, and the translations of the 20-odd Czech poems which had commendably been printed in the programme could not be read. For this disadvantage we were compensated by dramatic lighting of the second soloist, mezzo-

soprano Mary King, in the central gipsy tableau, which also uses an offstage female chorus. Mr Latham Koenig's understanding of the brilliant originality of Janacek's conception and idiom was widely in evidence: his accompaniments were masterfully shaded; his piano solo sizzled with a Beethovenian force. The main flaw in the evening's lack of understanding, his relentless, Puccini-like tenor, far too big for the hall, and his wobbly intonation and frequently raucous tone represented the only serious disappointment of the evening.

### 1981 winners of Whitbread Literary Awards

The winners of the £10,000 Whitbread Literary Awards for 1981 are the novel, *Silver's City* by Maurice Leitch (Secker and Warburg); the biography, *Monty* by Nigel Hamilton (Hamish Hamilton); and the children's book, *The Hollow Land* by Jane Gardam (Julia Black Books). Each receives the usual £3,000 prize of £3,000. In addition, an innovation this year was the award of a special prize of £1,000 for the best first novel of the year. This went to William Boyd for *A Good Man in Africa* (Hamish Hamilton). The award was made on the recommendation of a panel of among literary editors of newspapers and magazines. The judges of the other prizes consisted of the critics Paul Theroux and Penelope Lively and biographer Andrew Boyle.

Basic (throughout most of the 1940s). Duvivier comes through forcefully (at times he sounds too amplified) with Bryant and Dawson also bounding Tate along. Dawson takes a melodic solo and proves that the tune can be recognised during a drum solo, as well as showing some nifty hi-hat playing. Tate, though, is a surprise. Like many musicians in their 60s, he has been known to take things easy both on record and

tenorists who made their name with the drummer's group. From a personal viewpoint, I was never overly impressed with his playing which too often seemed bland and typical of the highly competent but basically uninspired work heard from so many post-John Coltrane tenor-saxophonists.

After listening several times to *Glourning* (Muse MR 5222), on which Schmittner breaks away from the Messiaen's formula

perience includes a spell with Woody Herman), the previously mentioned Helias, and drummer Ed Blackwell who, on "These Foolish Things" especially, gives a lesson in the art of playing brushes. All three prove with Dave Schnitter (and Buddy Tate) that the most often played tunes are strong enough to endure further examination provided their basic construction is solid.

some refreshing humour), and Roy Williams on trombone as well as from pianist Lemon who I fancy, did the rather stiff arrangements which are the reason for my reserved feelings towards the album as a whole. Heard live this talented band is probably the best of its type in Europe. Unfortunately its first LP, a studio recording, does not do it justice, lacking relaxation and at times bordering on the boring.

**F.T. CROSSWORD PUZZLE No. 4710**

**ACROSS**

- 1 Stumbled on record complaint (7)
  - 2 The two of us would return with precipitation (3)
  - 3 Dunderhead relative put off (5)
  - 4 Drink beer second (9)
  - 5 Henry VII's bloomer (5, 4)
  - 6 Double bend on tree in mud (5)
  - 7 Make invalid go against it before I dined (7)
  - 8 Kick to silence one Pole (4)
  - 9 Large hat son removed to ignore correction (4)
  - 20 People who made George Solution to Puzzle No. 4,709
  - 23 Arranged to bluff (5)
  - 24 Brought big ball on back-water down under (9)
  - 26 Editing trial in Moscow (9)
  - 27 Soldiers by Jehovah of ruler abroad (5)
  - 28 Spotted cube capable of making impression (3)
  - 29 Teased bird into making bloomer (5, 5)

**DOWN**

  - 1 Number two points to case (8)
  - 2 Overwhelm one woman in order to have appointment (8)
  - 3 Boy getting out to die (5)
  - 4 Attitude taken by underworld leader to settle things (7)
  - 5 How reporter introduces himself to seal (7)
  - 6 Go over account with bird (9)
  - 7 Dock item (8)
  - 8 Fighting study of superintendent (6)
  - 14 Dodge right craftsman (9)
  - 15 Sell to port abroad, then refuse to go on (5, 3)
  - 17 Stretch limb round pole after

- 
- that (8)  
 19 Rowing in Bath (7)  
 20 Legman stirring eastern mixture (7)  
 21 Mark joins newsmen, afraid (6)  
 22 Fire relations led astray (6)  
 25 Sound country ventilator (5)

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Thursday October 29 1981

# Bonn repairs its budget

WEST GERMANY'S budget planning for 1982, and with it the uneasy coalition led by Herr Helmut Schmidt, has survived its third visit to the operating theatre within four months. The coalition parties have agreed on what they hope will be the last adjustments needed to reduce next year's borrowing by the Federal Government to DM 26.5bn (about \$6.4bn) from DM 34bn in 1981.

Treatment began in July, but worsening prospects for economic activity next year and for the level of unemployment required another operation in September, and yet another this week.

**Estimates**  
 The entire process was carried out in the full glare of publicity. Ministerial statements and revised estimates followed each other in breathtaking succession. The markets responded sullenly to this bombardment but it is arguable that it is part of the price the country pays for open government, and for government by coalition.

Even now the battle is not over. The budget will have to be presented to the parliament. Surprises cannot be excluded during the debates in the Bundestag and the Bundesrat, though it does appear that at least the leaders of the coalition parties intend this week's settlement to stick.

Their majority in the Bundestag, the lower house, is safe enough; but part of the proposals also require the agreement of the Bundesrat, where the Christian Democrats are in a majority. Present prospects are that they will not use it to do more than embarrass the Government. That is partly a reflection of their wish to be seen to be a constructive opposition partly the result of their own internal divisions.

What has attracted most attention and heartache is the increase in the Government's revenue to add to its revenues DM 10bn of this year's profits made by the Bundesbank. The letter of the law clearly allows this measure; whether it also accords with the spirit of the law is a matter that is still hotly debated.

That is more than a matter for lawyers. The Government has looked upon the Bundesbank as the guarantor of sound money. Even if they were to be based on a misunderstanding, suspicions that the Bundesbank's statutory independence was being undermined would go down very badly.

What is more important is whether recourse to the Bundesbank's profits is an inflationary measure. Though the argument is still not settled, the leading German economic research institutes, which published a joint report on Monday, raised no direct objections. But they did accuse the Government of having put off an overdue reform of budget policy.

Like some other countries, the Germans have worked themselves into a position where a structural budget deficit deprives them of the flexibility required to conduct an anti-cyclical financial policy. The apportionment of the research institutes' strictures can be demonstrated by looking more closely at the matter of the Bundesbank profit. It is three times greater than in 1980 as the result of circumstances unlikely to recur: the high level of dollar interest rates, and the strength of the U.S. currency throughout much of 1981. They combined to give the Bundesbank a high return on its foreign exchange reserves and to make bank profits from the sale of dollars when intervening in the markets.

**Liquidity**  
 Once the Bundesbank profit returns to normal the hole in the budget which has been plugged for 1982 will open again. More than that: the Bundesbank will tighten monetary policy if the DM 10bn of which it has been mulcted brings an access of liquidity to the economy. With only modest growth of 1 per cent forecast for the economy and the prospect of a stronger D-Mark as the current account deficit is whittled down, German exporters may be squeezed at a difficult time by both interest rates and the exchange rate.

That is the case for the prosecution. That for the defence is simple and not to be ignored. Two parties with differing principles have found a compromise that should survive the parliamentary process. They have not been afraid of unpopular though limited economies in the social services. The financial problem has not been tackled at the roots, but the objective of sharply cutting government borrowing has been achieved.

The 15,000 workers at his plant last week earned a bonus of £21.38 with a record output of 4,706 Metros. But for the 7,500 workers in the body and assembly plants at the Cowley complex in Oxford there has been little bonus in recent weeks because of a series of disputes. Some production workers, restricted to the basic £94 pay, have taken home less than £70 after tax and stoppages.

It is this disparity in earnings between BL's 30 plants and the operation of the bonus that has contributed to the resentment and frustration which turned into the overwhelming vote earlier this month for strike action from next Monday.

"As a full time official I do not understand the complexities of the bonus. Our stewards who are supposed to monitor its workings tend to give up in confusion at the explanations and the calculations put forward by the management," says Mr David Buckle, Oxford district secretary of the Transport and General Workers Union, who has known Cowley for more than 30 years.

Strong as criticism from the shop floor may be of the incentive scheme BL made it clear again yesterday that it provides the only way to increase earnings. The BL Board has supported Sir Michael Edwardes, the chairman, in his insistence that the 3.8 per cent increase offered on basic rates is the absolute limit.

To retract from this public stance would challenge the credibility not only of Sir Michael but also of Government efforts to restrain earnings. Suddenly, BL's 58,000 car workers who have accepted three successive single figure pay awards, find themselves at the head of the annual wage battle. Deals have still to be concluded at Vauxhall, Ford and Talbot; the miners have adjourned their negotiations; talks covering the 2m workers in the engineering industry have opened with an offer similar to that at BL.

The BL management believes the incentive scheme has provided the sweetener to help push through the dramatic changes in work practices and de-maning that have taken place over the past two years. At Longbridge, in particular, where management has reasserted its shop floor authority and claims productivity gains of up to 40 per cent, the bonus has been an important part of the "carrot and stick" policy.

Both BL and Talbot, after the labour problems of the 1970s, have turned to incentive schemes as the way to raise efficiency. Both companies in the late 1980s followed the practice of the U.S. multi-nationals, replacing the old

piece-work systems with measured day work—a concept under which industrial engineers (popularly known as time and motion men) assessed the effort required by workers, and managers ensured those standards were met. But in practice, the shop stewards' power work to control the speed of the tracks, which was established under the piece-work system, was never really broken. And measured day work never achieved its promise.

BL was determined to restore the incentive principle without losing overall management control or returning to the anarchic conditions of piece-work with one set of workers competing against another. So it decided to relate the bonus to output of each plant as a whole rather than to particular groups of workers—a principle opposed by the trade unions on the grounds that the relationship between effort and reward is too remote.

Vauxhall also introduced a productivity based incentive scheme, but this was suspended

last year with the fall in demand and consequent short time working. Ford has proved the exception. Though anxious to raise productivity the company has set its face against incentive payments. Its reasons are similar to those advanced by the BL shop stewards—that in an integrated operation like car assembly any plant level scheme presents "an administrative nightmare," individual efforts to raise output cannot be identified and the system can lead to internal friction and unrest.

Ford, free of the atmosphere of crisis that has so often surrounded BL and Talbot, feels it can take a different route and achieve dramatic productivity changes by agreement over a period. The company has embarked upon a £1.4bn investment programme which requires a target cut of approaching 10 per cent of the present 54,000 strong labour force each year for four years. BL workers who in three years have grudgingly accepted two offers of 5 per cent and one

of 6.8 per cent believe they are not only sliding down the national pay league but also losing out to Ford. The table suggests BL is not in fact far out of line with other UK car companies. But the big pay advantage which Ford workers enjoy is the two-week system of alternating between two weeks on days and two weeks on nights which results in a considerable premium earnings.

The average engineering industry earnings in the West Midlands where most BL plants are located (shown in the table) also suggest that workers in the state-owned concern are not suffering disproportionately from recession.

The BL management insists that last year's 6.8 per cent award was increased to an average 13 per cent by the incentive scheme. This improvement compared with a 10.1 per cent rise in the retail price index and a 10.3 per cent increase in average earnings across the country. But at the heart of the unions' grievance is the fact

that the benefits of the bonus scheme are distributed unevenly and that they have to regain ground lost over the past three years.

The principle behind the incentive scheme is simple. Bonus is paid on a sliding scale according to the extent to which a plant exceeds output at agreed manning levels. Simply for ease of introduction, the threshold for bonus in broad terms was the level of efficiency achieved in the best four weeks of 1977.

BL has established joint management-union "verification committees" at plant level which go through the figures and monitor the bonus payment. Mr Geoff Armstrong, BL Cars Employee Relations Director, maintains some of the committees are making an important contribution in identifying production bottlenecks and improving efficiency.

Union leaders take a more cynical view, arguing that shop stewards do not understand the complexities of the calculations and are in the hands of man-

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A more serious union worry in the current negotiations is the management's condition that, in return for raising the ceiling on bonus from £22.50 a week to £30 it should have the right to conduct a unilateral audit of work practices.

BL now faces one of the most serious crises in the troubled history of the state-owned car maker. Its workforce is due to strike on Monday despite warnings by Sir Michael Edwardes, the chairman, that he will dismiss those taking part and seek government approval to shut the most affected plants. The issue on which any last minute talks will hinge is the controversial incentive scheme.

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## BL CRISIS

# The incentive backlash

By Arthur Smith, Midlands Correspondent

## U.K. CAR INDUSTRY PAY

| BL CARS                   | Basic for 40 hours | Bonus   | Wage review  |
|---------------------------|--------------------|---|--|
| Craft Production          | 104.60<br>94.00    | Incentive scheme yielding average £11.50 a week*            | Due November 1. Offer of 3.8 per cent rise plus 3.75 bonus guarantee |
| FORD Craft Production     | 114.00†<br>97.52†  | Attendance allowance of £7.09<br>£6.00                      | Due November 30 £20 a week claim submitted                           |
| TALBOT Craft Production   | 107.98<br>96.84    | Incentive scheme yielding £11-£12 a week                    | Due January 1, 1982 "Substantial" claim expected                     |
| VAUXHALL Craft Production | 107.20<br>94.80    | Productivity scheme suspended because of short-time working | Due September 15 Negotiations continue on 5 per cent offer           |

NOTE: For comparison shift premiums and fringe benefits, such as holidays and sickness allowance, are not included.  
 \* This is an average across 30 plants; some get nothing, others more than £20.  
 † Most Ford workers do alternate day and night shifts to give average weekly pay of £133 for craftsmen and £113.77 for production workers.

Average pay for 40-hour week in West Midlands engineering industry: skilled £107.40; semi-skilled £93.10; unskilled £80.70.

Source: West Midlands Engineering Employees Association

piece-work systems with measured day work—a concept under which industrial engineers (popularly known as time and motion men) assessed the effort required by workers, and managers ensured those standards were met. But in practice, the shop stewards' power work to control the speed of the tracks, which was established under the piece-work system, was never really broken. And measured day work never achieved its promise.

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Sir Michael Edwardes (left) and a pay slip belonging to a semi-skilled production worker at Cowley. It refers to the week ending October 16 when no bonus was paid at the plant. The worker has 33 years service with the company.

| WAGES STATEMENT     |          | Week ending 16/10/81 |         |
|---------------------|----------|----------------------|---------|
| Basic               | 2884.55  | Net Gross            | 2785.30 |
| Standard Deductions | 93.41    | Net Gross            | 90.33   |
| ENDOWTS 0.08        |          | Net Gross            | 14.40   |
| ONHSD TR 0.02       |          | Net Gross            | 5.57    |
| CLS DRAW 0.10       |          | Net Gross            | 3.08    |
| T.G.M.U. 0.50       |          | Net Gross            | 95.19   |
| Net Gross           | 93.41    | Net Gross            | 95.19   |
| BASIC               | 39.09 HR | Net Gross            | 93.41   |

## Men & Matters

### Barebacking

With this year's Miss World contest only two weeks away, the tension mounts over what flavour the world's largest cheesecake will take on this year. Last year, a free-spirited young German girl ran off with much of the contest's dignity, resigning within days of victory. This year, investors too can taste the excitement, since Mister World Eric Morley sold a controlling stake in the package to the publicly-quoted Belhaven Brewery last March.

One rumour this year has been that the show will have an overall sponsor — no, not that sort of overall, you know what I mean. There has never been one before, and Morley says none is needed to make ends meet. He has, he says, already tied up an adequate number of partial sponsors.

Moreover, "we would not listen to anything under £250,000," he told me from his suite at the Fontainebleau Hilton in Miami where he was filming sequences for the pre-judging. "But there is a possibility still."

**In credit**  
 Back to the City for George Warburg, son of the great Sir Siegmund Warburg, and co-founder of Cripps Warburg, which perished in the secondary banking crisis. He now heads the £1.3bn Colonial Bancory of Waterbury Connecticut, which has just opened a London branch. And there may also be found two other ex-CW men, George Newall and Tony Allen.

UK the big banks did not want to know Cripps Warburg. Williams and Glyn's, its biggest backer, which had problems of its own, was forced to close the CW doors.

Fortunately, most of the Cripps Warburg staff found new jobs. Newall and Allen went off to First International Bankshares Ltd., a U.S. merchant bank, before moving across to Colonial.

As for the Cripps half, Milo Cripps, nephew of Sir Stafford Cripps, has quit the banking scene for the quieter pastime of running a posh bookshop in central London.

**Liquid assets**  
 Producers' Organisation et al by the time you reach the Boardroom of Guardian Royal Exchange Assurance, I would guess that you will have sampled a fair few vineyards on City luncheon tables along the way. A respectable enough vocation in its own right, but CRE deputy chairman Ernest Bigland is now planning to mix business with pleasure by founding a wine shipping business in the new year in partnership with his son-in-law, David Holt, and the French wine company Patriarche Pere at Fils.

Bigland professes no great lifelong love of wine, but has a ready appreciation of its virtues. One of the joys of drinking, he points out, is that when you wake up in the morning, you are at least spared the thought that you are already feeling as good as you will for the rest of the day.

The trade expertise will be supplied by Holt, who has 25 years behind him in Charrington and latterly Bass. The Patriarche contract has been secured following the decision by wine merchants Matthew Clark to relinquish it in order to concentrate on the spirits side of its business.

Matthew Clark reckons that

### Loan rangers

The great British unbanked mus count as one of the social success stories of the decade. After years of taking their grubby pay packets home by way of the pub and the Christmas club, suddenly, everybody wants to know them.

It's clearers are doing it in their own way and their own time. Smaller outfits are gingering them along. Western Trust and Savings, the Devon consumer finance group taken over by Royal Bank of Canada two years ago, started off by taking down the physical barriers separating customers from staff in 24 branches. Now it is going still further.

After more than a year of market research, Western is extending a warm and friendly paw to anybody interested in its new Welcome Savings, Welcome Cheque and, yet, Welcome Loan. It has also discovered that "some people prefer to handle their financial affairs at arms' length," as managing director Mike Priestland puts it.

And so, a Totally New Idea. Postal banking. Well, er, not actually totally new. The clearing banks have been taking deposits, loan payments and doing all manner of administration through the post for years. But look. From today, you can apply for a loan from Western by post, and even withdraw cash by post. Though if many of its 122,000 customers got keen on the idea, Western could run up a tidy bill for the



"I am afraid the first witness for the Bromley ratepayers cannot appear — he cannot afford the fare!"

90p which registered letters cost these days.

Still, the fast-growing retail bank can probably afford it. It charges a Welcome 30.6 per cent for its unsecured Welcome Loans, and pays only a Welcome 14.8 per cent on its standard Welcome Savings plan.

**Wear and tear**

A Birmingham salesman decided that, after three years with the company, the time had come to press his boss for a much-needed pay rise. Instead of a sympathetic hearing, however, he received a brusque sermon about his sales performance and sloppy habits. "You aren't even as well dressed as you were when you joined us," concluded the boss. "I'm surprised you should say that, sir," replied the salesman, smiling wanly. "I'm wearing the very same suit."

## Buchanan's



هكمان النحل

## ECONOMIC VIEWPOINT

## The strategy-as it should be

By Samuel Brittan

ALMOST A year ago, an Economic Viewpoint entitled "The Strategy of Sir Geoffrey" began with the words: "Although content is more important than presentation, there are times when presentation can reach such a point of low level that it can itself have an adverse effect on policy." The article went on to say that the Chancellor reaffirmed "the broad thrust" of his strategy, but refused either to reaffirm the figures it contained or adjust them in the light of changing circumstances. Sir Geoffrey was criticised for listening to the "school of thought among his advisors rather than those who supported what he was trying to do."

Now those words, published on November 25, 1980, have come back to mind. Anyone who believes that the Medium Term Financial Strategy (MTFS) is a far from being the disaster that Sir Ian Gilmour maintains, is the one economic innovation for which the Government has a chance of being remembered — and which suitably developed and with different expenditure

even begun to engage in it. The most charitable interpretation of Sir Ian's attitude is that, ignoring St. Paul's advice on preferring the spirit to the letter, he identifies the MTFS quite literally with the target numbers for a particular definition of money, "sterling M3" (that is cash and all resident sterling deposits).

This interpretation has been reinforced by a Rowe and Pitman circular written by the Oxford economist Walter Ellis, who is no hill-billy, but a political sympathiser of the Government with excellent lines of communications to Whitehall. As far as I know, he is not planning to stand against Margaret Thatcher for the Conservative leadership. If Mr Ellis can claim that the Government is obediently guided by Sterling M3, and that it ignores all the evidence that this is a bad short-term indicator, is it surprising that businessmen and MPs are confused? Therefore a candid supporter of the MTFS has to fight equally hard against its current presentation — or rather non-presentation.

Now all this is in a sense unfair to Sir Geoffrey who emphasised at the Mansion House on October 16 that "no one aggregate can fully encapsulate monetary conditions." Many official documents have warned that Sterling M3 might not remain the most appropriate aggregate in the face of institutional change. But unfortunately even highly sophisticated people are far too busy to read the small print. So long as the official statements of objectives are still in terms of Sterling M3 most people will believe that this is the whole content of Government macro-economic policy (and much worse) the whole content of the post-Keynesian counter-revolution.

Sir Geoffrey sincerely believes that official strategy will seem less rigid and less ideological, and offer fewer hostages to fortune, if he sticks to the numbers already published and emphasises — or indeed exaggerates — the degree of commonsense agreement among people of good will.

Unfortunately, the effect is the opposite. By making businessmen or politicians who are asked to back a non-immediately appealing strategy would

at least like to know where they can see that strategy written down, even if it is not bedtime reading.

One must, however, warn that the money GDP objective, which some of us have put forward, will not do a bit of good if it is regarded as a magic incantation — like membership of the EMS, or going back to gold, or an inflation tax or 100 other ideas. All these may or may not be worth while, but they cannot provide the quick fix that slogan-mongers expect.

The accompanying chart tries to show the logical relation between instruments and objectives. At the top are shown actual Government or central bank decisions, such as whether to spend or tax more or less, whether to pump more or less funds into the money markets, and at what rates of interest such funds are to be supplied. By using these instruments to increase or diminish the flow of spending, Government authorities can have a powerful influence on the national income measured in money terms, i.e. Money GDP.

Because there is a long chain of events between budgetary or money market operations and the eventual changes in Money GDP, it may also be useful to have intermediate targets for instance for the public sector borrowing requirement (PSBR) and for various groupings of financial assets coming

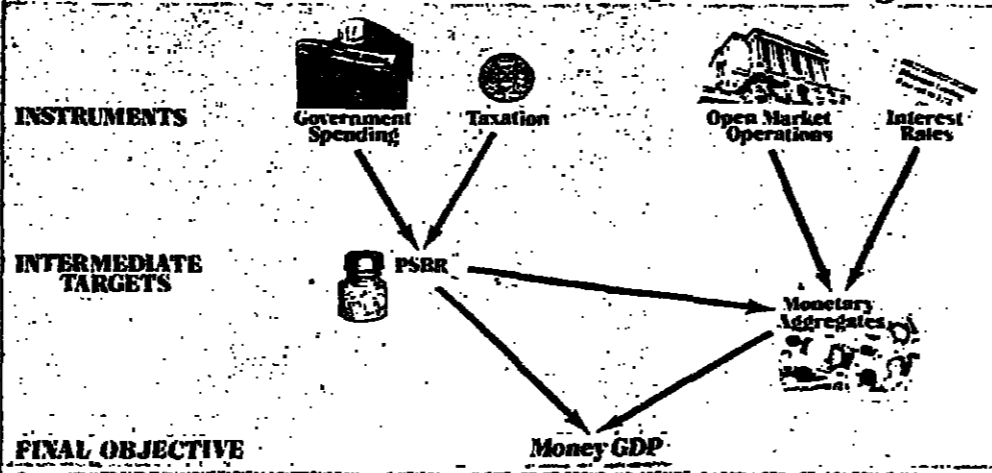
under the different definitions of money.

The highly confused state of the monetary aggregates means that unpublished views about the acceptable effective sterling exchange rate have graduated to the state of another intermediate policy objective. There are some who would like the exchange rate to occupy this status permanently, and who would link it to a final objective stated in terms of Money GDP, but of the inflation rate. Sterling would then appreciate or depreciate according to whether the Government was aiming at a faster or slower inflation rate than the international average.

One important objection is that the policy is, paradoxically, parochial. It passes the buck of anti-inflationary policy to other countries such as Germany, which are themselves given no guide. Nor can it be any help to those trying to think of the international economy as a whole.

This is, however, a digression. The monetary aggregates are not competitive or alternative targets to Money GDP. They are intermediate steps on the way to achieving the latter. There need be no shame or hesitancy in adjusting either their size or their definition. Many criticisms of a money GDP objective are based on an over-estimate of what governments can achieve.

## ECONOMIC STRATEGY: How the pieces fit together



and Walter Eltis ask whether present high interest rates are deflating the economy far more than anyone intended. A clue is provided by the table showing a sharp decline in the annual growth of money GDP from a peak of 20 per cent in early 1980 to only 8 per cent in the second quarter of this year.

These figures are, of course, backward looking. To assess the balance of risks one would have to form a view not only of U.S. interest rates but of the American and world inflation rates. The fact that commodity prices have declined not merely in dollar terms, but in terms of a currency basket may enable the UK to tolerate a slightly lower exchange rate.

Thus, a Money GDP target is not a substitute for a detailed analysis of the world and UK economies, but a framework in which it can be conducted. In particular, it should provide a self-correcting mechanism so that necessary steering changes to stay on course do not develop into the kind of inflationary swerve made by the Heath Government in 1972-74 and half made by Mr Healey in 1978-79.

At a very minimum, Sir Geoffrey Howe should restate his strategy in terms of a broad objective such as money GDP, explaining what he has in mind, however many pages it takes. Secondly, he should make clear what is already in small print: namely that the "intermediate" objective for the PSBR assumes a given level of activity, and that if recession and unemployment are worse than expected, the PSBR can rise by an amount reflecting the recession, without a breach of objectives.

Thirdly, some guidance on the short-term objectives for the narrower measures of money and for sterling (within a wide range), which at present govern interest rates and money market policy, could be published. (Official advisers always exaggerate the importance of secrecy. The Fed has long published its operating instructions after a six weeks' lag.) Within this framework it would not be the end of the world if the exchange rate or narrow money targets changed quite a lot from time to time, so long as their intermediate status were emphasised.

## Lombard

## The methods of deterrence

BY JIM DAVIDSON

IS IT time for the U.S. and Nato to reconsider their nuclear doctrines? This question is not prompted by the recent wave of anti-nuclear demonstrations in Europe, but rather by the publication of a paper by the International Institute for Strategic Studies, under the arresting title "Can Nuclear War Be Controlled?"

Its author, Dr Desmond Ball, of the Australian National University at Canberra, concludes that the answer to his rhetorical question is No. If he is right, then U.S. and Nato nuclear doctrines make little sense.

For many years, Western nuclear strategy has been based on the concept of "flexible response" through which the alliance should be able to deter Soviet aggression by being able to match any Soviet action with an appropriate response in the ladder of escalation, from the use of battlefield nuclear weapons to an exchange of strategic missiles.

This strategy has often been questioned before, but seldom so devastatingly as by Dr Ball. His perspective is not, however, the same as that of the nuclear disarmers. On the contrary, he gives the U.S. full credit for wishing to adopt a restrained and controlled policy on nuclear weapons in the hope that, if nuclear war did break out, it could be brought to an end before the final destruction of civilisation.

Part of the problem, as he sees it, is that there is no evidence that the Soviet Union has any similar policy of restraint. If nuclear war breaks out, their strategy seems to be to win it massively. This does mean strengthening the communications systems. Dr Ball's analysis suggests that the delicacy of these systems is unavoidably vulnerable and that the answer is not to pursue "the chimera of controlled nuclear war" but to pay more attention to conventional deterrence.

Dr Ball concentrates his critique on the controllability of strategic nuclear systems; the controllability of battlefield nuclear weapons is even more obviously open to question. If Nato were to devote more to conventional deterrence it would not need to put so much reliance on the nuclear elements of its defence posture. If the campaigners in CND and END were to call for stronger conventional defences, they might command more respect, both for their intellectual coherence and for their political courage.

\*Published by IISS, 23, Tavistock Street, WC2, Price £2.00.

| MONEY GDP* |            |
|------------|------------|
|            | % Increase |
| 1976       | 14.5       |
| 1977       | 14.6       |
| 1980       |            |
| First qtr  | 20.3       |
| Second qtr | 16.0       |
| Third qtr  | 15.4       |
| Fourth qtr | 12.6       |
| 1981       |            |
| First qtr  | 2.7        |
| Second qtr | 3.0        |

\* Expenditure measure

Compared with same quarter of previous year.

† Income measure

Source: CSO

and tax components (and fortified by other non-financial measures) would also have to be the basis for any Social Democrat strategy worthy of the name — has to fight on two fronts.

He has to fight against the aggressive free lunch campaign of the politicians and journalists who try to dress up electoral expediency as high principle. He has to point out that Sir Ian Gilmour, having "won" the intellectual argument, as he asserted on Sunday, has not

## Letters to the Editor

## Abolition of the National Insurance surcharge

From the Director-General, Institute of Directors.

Sir—A letter in National Insurance surcharge would indeed be welcome to many businessmen. Yet to say that it is industry's first and unanimous tax-cutting priority is not necessarily correct, and British industry's problems would not automatically be mitigated by the abolition or dramatic reduction of National Insurance surcharge if this was at the expense of other potential areas of tax reduction.

Abolition of the surcharge would, in its incentive effects, tend to benefit large and heavily staffed enterprises which are by definition likely to be found in older manufacturing industries. The new, smaller and high technology businesses, which are central to long-term Government economic strategy, and which are being formed in encouraging numbers, would be largely unaffected by such abolition.

Tax reductions more widely spread, both in the basic rate of income tax and in capital gains and capital transfer tax, would reflect more accurately the economic policies which the Government was elected to carry through.

They would put resources into the hands of customers through

out the economy whose individual economic decisions are more likely to foster general growth than central planning. It is this spending which adds the volume to industry's base and brings the extra orders which surveys indicate that businessmen are seeking above all. Although helping to cut costs, reduction or abolition of the surcharge would not necessarily help in the battle for orders.

One third of the gross yield of National Insurance surcharge derives from the public sector. Unless the treasury acted swiftly to claw back from the public sector the bonus presented by a reduction there would be a considerable net benefit to a notoriously unproductive sector of the economy. Nor would it be a straightforward matter to adjust all EPAs and government grants to effect this necessary clawback.

The effects on pay negotiation are difficult to identify. But while the removal of National Insurance surcharge would give to union negotiators an additional card—a bonus to the employer which they wish to share—income tax cuts are clearly and demonstrably a net pay increase in the hands of every worker. We should not underestimate this factor in present

conditions. In its effect on demand a cut in National Insurance surcharge would certainly provide additional funds to finance higher stocks. It is far less certain, however, that this would be taken up to make the right sort of investment in conditions where there was no increased customer demand.

And in communicating economic realities to voters, a matter which is preoccupying Ministers at the moment, there are clear advantages in using broader tax cuts to boost incentives to a general effort to spread economic decision-making as widely as possible and to make the benefits of sound economic policies as clear to as many people as possible.

The arguments are quite finely balanced, but the case for early income tax cuts to be followed by an easing of National Insurance surcharge when recovery is under way seems to make considerable sense. Unless measures on the Government for dramatically increased public spending abates, industry had better reconcile itself to neither of these.

Walter Goldsmith,  
116 Pall Mall, SW1.

## Investment diamond activities

From Mr T. Rudd

Sir—I am writing with reference to the article by Christine Moir (October 23) concerning this firm's connection with the investment diamond business.

Diamond Services Holdings acquired the diamond grading and diamond broking businesses originally carried on by Diamond Selection of which company Mr Huddleston and Mr Wilkie were the managing directors. Mr Huddleston, since the formation of Diamond Services Holdings, has been solely responsible as managing director of the latter for both the broking and the grading side of the business. There is unfortunately an excess of capacity in this country, America and Australia in grading facilities and it was for that reason that the company, with regret, decided to close its present laboratory. It is intended, however, that diamond grading facilities will continue to be made available through Diamond Grading Laboratories (Sydney) which operates under licence from D.G.L. in London.

A scheme involving a management "buy-out" of the London laboratory has been put forward and we propose to examine the feasibility of facilitating such a move. The D.G.L. grading laboratory is one of the best in the world (being the only one which deals anything like satisfactorily with colour) and it would be a great advantage to the future of the investment diamond business generally in London if this laboratory could be kept in being.

Meanwhile, Diamond Services have licensed Investidiam to market its services and Rowe Rudd has backed the latter company in order to continue its policy of marketing investment diamonds. A link has also been formed with Mr Michael Freedman's Gemstone Inc., one of the leading diamond businesses in that country, and work has been completed on the organisation of a diamond fund based in the Bahamas. The launching of this fund will depend upon market conditions, but as the indications are that the diamond market has now stabilised, and indeed is likely to rise, we expect to launch this fund during the next 60 days.

One final point: Mr Malcolm Postgate (not Postgate, as in your article) is a director of the Greenbank Trust, but is not and never has been a partner or a director of Rowe Rudd.

Tony Rudd,  
Rowe Rudd and Co.,  
63 London Wall, EC2.

## The buyer's premium case

From the Chairman, MacConrad-Nelson.

Sir,—On October 20 I wrote to Mr Gordon Borrie, the director-general of the Office of Fair Trading, welcoming his investigation into the buyer's premium case involving the British Antique Dealers' Association and the Society of London Art Dealers against Sotheby's and Christie's. This case involved an allegation against Sotheby's and Christie's of collusion.

I informed Mr Borrie in my letter that I had been informed by the president of the BADA that they have no intention of making available to him the evidence that they possess, and had intended to place before the court case which was called off 24 hours before it was due to be heard.

It is indeed alarming to hear from Mr Borrie in a letter to Mr Hugh Leggett that, contrary to what has been reported in the Press, he has not received any details of the evidence which they had intended to place before the court or the witnesses that they were proposing to call. I said in my letter of October 20 to Mr Borrie that further to my suggestion that this affair could well be the "Watergate of the art trade," it now smacks of a "cover-up" in view of the fact that the trade organisations are not making available to the Office of Fair Trading this vital evidence. Without this, how can the investigation be thorough and conclusive?

I consider that it gives cause for much public concern, and it should be remembered that this case is perhaps of more importance to the public in general than to the dealers. The dealers well understand the working of the "buyer's premium" and take this into account when bidding, but it is my belief that the general public does not fully understand the implications of what is involved and also, of course, it does not have the means of reclaiming VAT payable upon the buyer's premium. This case, of course, is reclaimed by a VAT-registered art dealer.

It is therefore quite outrageous that the dealers' organisations should attempt this "cover-up" and refuse to submit the evidence which they had intended to place before the court. There should be an outcry against this deepening affair.

David Mason,  
14, Duke Street,  
St. James's, SW1.

## NEWS REVIEW

## BUSINESS

## Ferranti gyros for Indian civil space project

Thirty Ferranti Type 122 gyroscopes are to be supplied to India for use in a civil space project. The contract, worth about £250,000, has been placed with Ferranti Scottish Group by the Indian Space Research Organisation of Trivandrum. The Type 122 is a highly accurate, yet robust single axis rate-integrating gyroscope totally of Ferranti design and manufacture.

## Software approved

Ferranti Computer Systems Ltd has received approval from British Telecom for its X-25 software package for Ferranti Argus computer users. X-25 is the ISO standard adopted by the CCITT as the recommended protocol for computers and intelligent terminals to access a packet switching network. British Telecom implements X-25 in PSS, the public data service.

## Signal success

A Ferranti Cetec Graphics photoplotter is being used by Westinghouse Brake and Signal Company, Signals Division, to speed the production of etching masters for the manufacture of signal box control panels.

## Briefly...

A comprehensive TV test pattern generator on a single integrated circuit developed by Ferranti Electronics is now available from production.

A Ferranti XIF400 laser is currently being used by Emulor Ltd of Lincoln for fabrication into commercial vehicle exhaust systems.

BS9000 approval has been awarded to the EXT100 range of modular edge connectors produced by Ferranti at Dundee.

## ADVERTISEMENT

## COMPUTER GRAPHICS

## Photoplotter launch

An innovative new photoplotter from Ferranti Cetec, the UIC, has been launched by means of a visual display unit and keyboard. The operator is able to input such details as plotting in imperial and metric measurements and to specify the scale of the finished artwork and the plotting work masters. It is the first of a new generation of automated plotting machines using microprocessor control and simplified mechanical construction.

These features permit increased control facilities and improved performance, and, together with a highly competitive price, make the EP530 a very advanced, cost-effective product.

## AVIONICS

## Navstar observed

Ferranti has successfully completed an M.O.D. contract to study the operational navigation and weapon aiming requirements for a wide variety of military aircraft as the first stage in evaluating the potential of the Navstar Global Positioning System (GPS) at present under development in the USA.

A combined team drawn from Ferranti Scottish Group and Ferranti Computer Systems Ltd brought together extensive study expertise and considerable design and operational experience in the navigation and weapon

The microprocessor permits the EP530 to be controlled and operated interactively by means of a visual display unit and keyboard. The operator is able to input such details as plotting in imperial and metric measurements and to specify the scale of the finished artwork and the plotting work masters. It is the first of a new generation of automated plotting machines using microprocessor control and simplified mechanical construction.

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Knowing a customer's present or future formats, Ferranti Cetec can ensure acceptance by the EP530. Diagnostic routines are built into the microprocessor to reduce plotting system down-time.

systems of the aircraft under study. These included airway and equipment fits in service and under consideration for future operational use. Navstar is a satellite-based, universal positioning and navigation system designed to provide precise 3-dimensional navigation information, and developed to arrest the proliferation of differing navigation systems. It is planned to be operational in 1983, with eventually eighteen Navstar satellites circling the earth, probably in three orbits—six per orbit—giving global coverage under all weather conditions.

## STEALTH TECHNOLOGY IMP

While U.S. developments in stealth technology have been well publicised a team from Ferranti has been making progress of its own. The approach has been classically simple and offers a low cost entry to stealth technology. They concluded that anomalous propagation in radar could be forecast by computer and used to ensure better radar coverage in defence or improved low risk radar penetration in attack.

The computer programme known as Indication of Microwave Propagation (IMP) is available either as software on an existing computer system or as a stand-alone Ferranti Argus computer hardware package.

The program requires three inputs: a description of the atmosphere, details of the radar and "operational factors" such as probability of detection and a target description. It produces the IMP diagram which enables an operator in a stress situation to comprehend rapidly the tactical implications of the data IMP has produced.

The good news is FERRANTI Selling technology.

## London & Northern down £1m

IMPROVED PROFITABILITY in construction activities at the London and Northern Group, was insufficient to offset continued adverse trading conditions in plant hire, metal reclamation and steel stockholding and for the first half of 1981 pre-tax profits fell by nearly £1m from £4.21m to £3.26m.

The directors say that liquidity has continued to strengthen and following rationalisation and some improvement in trading conditions, the group's profitability in the second half should show a material increase over that of the first.

Turnover was down from £110.88m to £99.93m for the six months and the interim dividend is held at 1.4p net—last year's final was 2.85p paid from taxable profits of £3.76m.

In the annual statement the directors said that the group's continuing workload coupled with reduced interest rates should provide a satisfactory outcome for the current year.

After lower first-half tax, amounting to £799,000 against £1.23m, and minorities of £198,000 (£490,000) the attributable balance came out just behind at £2.26m, compared with £2.49m. Earnings per share are given as 3.9p (4.3p).

## Jackson Gro static at midterm

TAXABLE PROFITS of Jackson Group, the East Anglian construction and industrial services concern, remained static for the first half of 1981 emerging at £375,000, compared with £365,000, despite a drop in turnover from £2.84m to £2.78m.

The directors say the group's resources and expertise could well support a much greater volume of business than the prevailing economic conditions allow. However, they point out that results to date are in line with expectations and that results for the full year should be acceptable.

Stated earnings per 10p share for the half year were 14.8p (14.3p) and the interim dividend is the same at 2.1p.

There was again no tax charge and no significant charge is expected for the year as a whole.

The company's shares were traded in the market made by M. J. H. Nightingale and Co.

## Gomme suffers £1.95m loss and omits dividend

TURNOVER OF G-Plan furniture manufacturer, Gomme Holdings, fell from £33.1m to £24.33m for the year ended July 31 1981, and the group incurred taxable losses of £1.95m, against profits of £1.66m previously.

And with the omission of a final payment, there is no dividend for the year, compared with a 0.887p net interim last time.

The group will be able to increase output substantially when conditions improve, directors state, without further major investment, although some recruitment will be necessary.

Losses have continued in the first quarter of the current year, but at a declining rate and the present level of incoming orders indicates that the company should operate at or near break-even in the second quarter, the directors say.

At the half-year stage the group fell into the red, as expected, by £958,000, compared with profits of £1.26m, on turnover down from £17.9m to £12.86m.

The decline in the year's turnover was above average for the industry, and resulted in part, from destocking by retail customers who had built up large stocks when delivery dates were extended.

The group's market share is now beginning to increase, but the total furniture market remains very depressed, directors point out.

After tax of £69,000 (£221,000 credit) and an extraordinary credit of £447,000 (£448,000 credit),

## HIGHLIGHTS

On the day before Cable and Wireless is offered to the public, Lex considers the outlook for this important issue before going on to weigh up the chances of Berec's defence in the face of the determined bid assault from Hanson Trust. The offer reaches its first closing date this weekend. The column also comments on the market's small rise in confidence before concluding with an analysis of Thomas Borthwick's debt restructuring. Elsewhere, Britannia has launched what it claims is the first open-ended unit trust designed specifically for investment in the USM, Courtaulds' Pension fund is bidding for Grange Trust and George Oliver has ousted Ward White for the hand of Hiltons Footwear. Ward White has sold its substantial Hiltons stake in the market at a good profit.

creditor — redundancy and reorganisation costs—the attributable loss was £2.47m (£1.92m profit). Loss per share is given as 15.96p (14.34p earnings).

Completion of a major capital expenditure programme cost £700,000 in the year; capital expenditure of some £200,000 is anticipated for 1981/82.

Bank borrowings as the year end were £5.17m (£3.76m) and directors say that present indications are that borrowings will be reduced during the current year.

● comment Although the shares fell 3p to 22p, Gomme's results can have been only a shade worse than expected. Sales drifted another 2.4 per cent below the loss-making level reached in the first

half, and the pre-interest margin dipped another point into the red. Since borrowing increased in the year by nearly two-fifths it is not surprising that a higher interest charge helped Gomme to finish up more than £3m adrift of the pre-tax total seen in 1980. Capital gearing, however, remained within bounds, at about 50 per cent. This is probably set to come down, as sales have started to rise again, edging towards break-even in the second quarter, and capital spending plans will be reduced. Gomme has spent over £5m on new plant in the past few years, yet is producing at 30 per cent below the levels which had been attainable before the programme was completed. The company is capitalised at £2.8m.

For the half year to September 30 1981 taxable revenue of Trust Union declined marginally from £1.23m to £1.22m but the net interim dividend is maintained at 1.5p—for 1980-81 a final of 1.55p was paid.

Tax for the six months was higher at £411,836 (£402,184) and net asset value per 25p share is given as 88.9p (10.5p at March 31 1981).

N. SEA ASSETS The resolution by North Sea Assets to adopt new articles of association was passed at yesterday's EGM and the company's shares have now been admitted to the Official List by the Stock Exchange and dealings will commence today.

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## Asda sees first half expansion

At the annual meeting of Associated Dairies Group, Mr A. N. Stockdale, chairman, told members that figures for the first half of the current year would be in excess of those for 1980.

For the 23 weeks ended November 15 of last year, pre-tax profits amounted to £22.76m on turnover of £593.6m.

The chairman said that Allied Carpets was having a most difficult time and it was hard to see any material improvement in sales, but the furniture sector, now trading as Wades, had been less severely affected.

Asda stores were ahead of last year in volume sales and were continuing their store development programme, Mr Stockdale stated. He added that in 1982/83 it was probable that 11 new stores would be completed, seven of which were currently under construction.

"I have great confidence in the future. Any eventual upturn in our economy will have a dramatic effect on profitability," the chairman said.

## Advance Services lower

PRE-TAX PROFITS of Advance Services were down from £2.33m to £2.2m in the six months to June 30 1981, but the figures for the first half of 1980 have been restated to take account of the revised depreciation policy which was adopted for the full year for service equipment.

Turnover of this linen supplier, laundry and allied services group, rose from £15.54m to £19.17m. The interim dividend is raised from 0.7p to 1p—last year's total was 3p from pre-tax profits of £4.89m (£4.47m).

The directors expect to recommend a final dividend at the same level as that paid for the previous year.

ALTHOUGH TAXABLE profits of George M. Callender and Co. have declined from £99,327 to £39,543 for the first half of 1981, this manufacturer of bitumen damp-proof courses is maintaining its interim dividend at 0.7p net per 10p share.

The board says the second six months has shown an improvement over the first period, but full year results will not match those of 1980. Last year, pre-tax profits totalled £1.2m on turnover of £10.15m.

AMALG. METAL/PERMODALAN The independent directors of Amalgamated Metal Corporation and their advisers, Morgan Grenfell and Co., say they consider that the price which is currently available through sale of shares in the market to Permodalan, National is fair and reasonable for a minority shareholding.

They therefore recommend shareholders to take advantage of Permodalan's offer by 3.30 pm on November 6, in the absence of any announcement of any improved offer by that time.

Currently, they say they are unaware of any such improved offer.

DUNLOP HOLDINGS Dunlop Holdings is to complete the acquisition of the capital and freehold properties of four tyre retailing companies which operate as the Brecon Tyre Group, on October 30. The companies are: Hereford Tyres and Batteries; Llandrindod Tyres; Buith Wells Tyres; and Brecon Tyres.

Consideration, subject to a minor final adjustment when the results are finalised, will be £815,736, satisfied by the issue of 1,547,958 ordinary shares. Arrangements have been made by Easmore Gordon and Co to place the shares on behalf of the vendors.

## Richardsons Westgarth £0.99m in the red midway

IN LINE with the warning made at the annual meeting that a first-half loss was inevitable, Richardsons, Westgarth and Co., engineer and stockholder, has recorded a pre-tax deficit of £94,000 for the period ended June 30 1981. This compares with a profit of £412,000 for the same period last year.

The group says that while encouraging progress has been made in further reducing the loss at Humber Graving Dock and Engineering Co. and at R.W. Transmissions, the stockholding companies found trading conditions very difficult and made an overall loss.

However, vigorous management action has been taken and the group is confident that the second half will show a significant improvement leading to a substantial reduction in the trading loss for the year as a whole.

Stated half-year earnings per 50p share dropped from 1.4p to 1.1p, and the interim dividend is being reduced from 1.05p to 0.75p net per share—last year's total payment was 2.1p.

First-half turnover fell from £25.38m to £21.53m. There was a tax credit of £171,000 (£221,000 charge) with an additional credit of £568,000 this time in respect of stock losses. The total tax credit was after winding off irrecoverable VAT of £818,000.

At the attributable level there was a reduced profit of £154,000, against £178,000 last year. Minorities of £25,000 (£25,000) are shown.

## L & P Shop Centres expands

PRE-TAX PROFITS improved for London and Provincial Shop Centres (Holdings), rising from £88,000 to £654,000 for the year to June 24 1981.

As forecast at the interim stage the final dividend is 1.8p making a total of 2.4p, against 2p last time. Pre-tax profits were expected to be about £560,000. Earnings per share were higher at 4.44p, compared with 3.68p.

The directors stated in May that provided the fall in interest rates was sustained, profits for the year to June 24 1982 should benefit substantially from a lower interest charge, as net proceeds from the sale of Foun-

tain House, London, W1, had been used to reduce borrowings. The property was sold for £3.15m, showing a surplus of £1m over book value.

Annual rental income will increase by £1.34m to £4.4m progressively over the next five years, from rent reviews, based on current rental values. This does not include any contribution to rental income from development properties.

Investment properties have been professionally revalued at June 24 and show an increase over book value of £9.7m (£68m); development properties were down from £2.1m to £253,000, and gross assets were valued at £79.1m compared with £70.7m. Borrowings of £15.4m represent 19.8 per cent (24.7 per cent) of fixed assets.

Gross rental income for the year was £4.4m, at £2.95m (£2.94m). The charge for taxation was increased to £174,000 from £90,000. Attributable profits came out at £420,000 against £398,000. Net asset value rose to 877p, compared with 480p.

A new office development, Edinburgh House, in Slough, Berks, with 42,000 sq ft has recently been started. The group has contracted to buy a prestige site in Slough to build 35,000 sq ft of office.

## Sharp fall at United Ceramic

A SEVERE and unexpected downturn in demand in May and June led to a sharp fall in pre-tax profits of United Ceramic Distributors from £217,046 to £100,432 for the first half of 1981.

The group came to the unlisted securities market in June by way of a share placing. Its business is as a distributor and importer of ceramic wall and floor tiles and kitchen furniture.

Since the beginning of the second half, demand has increased to some extent, but the recession is continuing to affect the group's business. In response, a major reduction of stocks has been achieved, together with a

reduction in the level of borrowings.

As a result, the group says its financial position continues to be strong, although trading conditions are likely to remain difficult for the rest of 1981.

The fall-off in demand followed a period when turnover had been appreciably higher than during the same four months of 1980. Turnover for the half-year to the end of June totalled £2.41m, compared with £2.2m last time.

Costs associated with the opening in January of a new depot at Cambridge and relocating the group's main warehouse at Stour-

## DIVIDENDS ANNOUNCED

|                       | payment of Current | Date   | Corr. div. of | Total year year last |
|-----------------------|--------------------|--------|---------------|----------------------|
| Advance Services      | 1                  | Jan 4  | 0.7           | 3                    |
| Boosey and Hawkes     | 1.9                | Dec 11 | 1.9           | 5.67                 |
| Chesterfield Tropic   | 3                  | Jan 1  | 2.6           | 6                    |
| Gomme Hldgs           | NIL                | Jan 1  | NIL           | 0.89                 |
| P. C. Henderson       | 2.75               | Dec 15 | 2.25          | 5                    |
| Lon and Northern      | 1.4                | Jan 8  | 1.4           | 1.75                 |
| L and P Shop          | 1.8                | Jan 5  | 1.8           | 2                    |
| Richardsons Westgarth | 0.75               | Jan 5  | 1.05          | 2.1                  |
| Trust Union           | 1.5                | Dec 11 | 1.5           | 3.05                 |
| Whitlams              | 1.1                | Dec 21 | NIL           | 0.9                  |

Dividends shown pence per share net except where otherwise stated. \* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ In lieu of final.

0.75p net per share—last year's total payment was 2.1p.

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A new office development, Edinburgh House, in Slough, Berks, with 42,000 sq ft has recently been started. The group has contracted to buy a prestige site in Slough to build 35,000 sq ft of office.

Investment properties have been professionally revalued at June 24 and show an increase over book value of £9.7m (£68m); development properties were down from £2.1m to £253,000, and gross assets were valued at £79.1m compared with £70.7m. Borrowings of £15.4m represent 19.8 per cent (24.7 per cent) of fixed assets.

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## Companies and Markets

## Maybank says bid talks at 'early stage'

Yesterday Mr. Matthew Oakshot, Courtaulds' pension fund

Yesterday, Courtaulds picked up a further 2.5 per cent of

the market improves conditions will increase its bid in line with the increase in asset value to a maximum of 180p.

in its final stages and that Maybank's gravel reserves were worth about £80m.

Mr Christopher Hilton stressed the traditional attitudes of the two companies—both are family

though final details—and the irrevocable undertakings which were a condition of the Oliver

Edward L. Shiller

On the London stockmarket the shares of both Elliott and Jenks were unchanged at 43p and 68p respectively. On the stockmarket

Two directors of Deaconsgroom, the company which held the 24.5 per cent stake for the ultimate beneficial owner, London Time Investment Company, are understood to be Mr C. Bone and Mr D. E. Fitzgerald, of stockbrokers Bone Fitzgerald, which, Mr T. D. Leece, managing director of Jenks and Cattell, said yesterday was advising Jenks on the deal.

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ended to November 20.

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| EUROPEAN OPTIONS EXCHANGE          |         |      |         |       |       |      |       |          |  |
|------------------------------------|---------|------|---------|-------|-------|------|-------|----------|--|
| Series                             | Vol.    | Nov. |         | Feb.  |       | May  |       | Stock    |  |
|                                    |         | Vol. | Last    | Vol.  | Last  | Vol. | Last  |          |  |
| GOLD C                             | \$400   |      |         |       |       |      |       |          |  |
| GOLD C                             | \$425   | 5    | 19      | 5     | 58    | 30   | 71    | \$311.50 |  |
| GOLD C                             | \$450   | 3    | 19      | 5     | 41    | 2    | 58    | "        |  |
| GOLD C                             | \$475   | 22   | 6, 50   | 51    | 16    |      |       | "        |  |
| GOLD C                             | \$500   |      |         | 2     | 10    |      |       | "        |  |
| GOLD C                             | \$525   |      |         | 5     | 16    |      |       | "        |  |
| GOLD C                             | \$550   |      |         | 5     | 29    |      |       | "        |  |
| GOLD P                             | \$450   |      |         |       |       |      |       |          |  |
|                                    |         | Jan. |         | April |       | July |       |          |  |
| ARZO C                             | F201    | 28   | 2.10    |       |       | 5    | 3.78  | F.31.10  |  |
| ARZO C                             | F.250   | 3    | 0.30    | 14    | 1.40  |      |       | "        |  |
| ARZO C                             | F.25    | 29   | 0.60    |       |       | 1    | 1.50  | "        |  |
| ARZO P                             | F.20    |      |         |       |       |      |       | F.32.30  |  |
| MOORE G                            | F.15    | 20   | 0.60    | 5     | 1.70  |      |       | "        |  |
| MOORE G                            | F.15    |      |         |       |       |      |       | "        |  |
| IBM C                              | \$50    |      |         | 1     | 2 1/2 | 1    | 6 1/2 | \$51 1/2 |  |
| IBM C                              | \$55    |      |         |       |       |      |       | "        |  |
| IBM C                              | \$60    |      |         |       |       |      |       | F.105.50 |  |
| IBM C                              | F.20    | 1    | 25      |       |       |      |       | "        |  |
| KLM C                              | \$50    | 6    | 17.50   |       |       |      |       | "        |  |
| KLM C                              | F.300   | 72   | 12.50   |       |       |      |       | "        |  |
| KLM C                              | F.110   | 122  | 11.50   |       |       |      |       | "        |  |
| KLM C                              | F.120   | 184  | 5.20    | 6     | 8 A   |      |       | "        |  |
| KLM C                              | F.120   | 129  | 3.30    |       |       |      |       | "        |  |
| KLM C                              | F.140   | 25   | 2       |       |       |      |       | "        |  |
| KLM C                              | F.180   | 70   | 1       |       |       |      |       | "        |  |
| KLM P                              | F.20    | 12   | 1.50    | 1     | 3.50  |      |       | "        |  |
| KLM P                              | F.30    | 115  | 2.60    |       |       |      |       | "        |  |
| KLM P                              | F.120   | 108  | 5.90    |       |       |      |       | "        |  |
| KLM P                              | F.110   | 82   | .11     |       |       |      |       | "        |  |
| NEDL C                             | F.140   | 20   | 9       |       |       |      |       | F.140.20 |  |
| NEDL C                             | F.150   |      |         | 2     | 9.20  |      |       | "        |  |
| NEDL C                             | F.160   | 68   | 2.30    |       |       |      |       | "        |  |
| NEDL C                             | F.170   | 40   | 4.70    |       |       |      |       | "        |  |
| NEDL P                             | F.120   | 11   | 30.70 B |       |       |      |       | F.19.50  |  |
| PHIL C                             | F.220   | 284  | 1       | 36    | 1.80  | 30   | 1.80  | "        |  |
| PHIL C                             | F.22.50 | 16   | 0.40    | 183   | 0.70  |      |       | "        |  |
| PHIL C                             | F.25    | 853  | 9       | 8     | 0.40  |      |       | "        |  |
| PHIL P                             | F.20    | 13   | 1.50    |       |       |      |       | "        |  |
| POLA C                             | \$20    |      |         |       |       | 1    | 4 1/2 | \$20 1/2 |  |
| RD C                               | F.70    | 54   | 14.20   | 4     | 16    |      |       | F.81.50  |  |
| RD C                               | F.80    | 72   | 6.40    |       |       | 1    | 10.50 | "        |  |
| RD C                               | F.90    | 319  | 5.50    | 54    | 5.20  |      |       | "        |  |
| RD C                               | F.100   | 40   | 0.90    | 19    | 2.40  |      |       | "        |  |
| RD P                               | F.70    | 41   | 0.90    |       |       |      |       | "        |  |
| RD P                               | F.80    | 103  | 8       | 114   | 4.10  |      |       | "        |  |
| RD P                               | F.90    | 20   | 8       | 5     | 9     |      |       | "        |  |
| UNIL C                             | F.150   | 2    | 3.50    |       |       |      |       | F.129.50 |  |
| UNIL C                             | F.160   | 8    | 1.20    | 1     | 2.60  |      |       | "        |  |
| UNIL P                             | F.140   | 1    | 5.50    |       |       |      |       | "        |  |
|                                    |         | Nov. |         | Feb.  |       | May  |       |          |  |
| BOEI C                             | \$25    |      |         |       |       | 1    | 4 1/2 | \$25 1/2 |  |
| SLUM G                             |         |      |         |       |       | 6    | 4 1/2 | \$26 1/2 |  |
| TOTAL VOLUME IN CONTRACTS          |         |      |         |       |       |      |       |          |  |
|                                    |         |      |         |       | 2855  |      |       |          |  |
| A = Askd. B = Bid G = Call P = Put |         |      |         |       |       |      |       |          |  |

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## NOTICE TO WILLIAMS & GLYN'S BANK ACCESS CARDHOLDERS

The Bank regrets to announce that the interest rate charged to its Access cardholders will be increased from 2% to 2.25% per month with effect from 30th October 1981. From that date, the new rate will be applied to all interest bearing balances, cash advances and to purchases attracting interest for the first time. This means that the Annual Percentage Rate of Charge is increased to 30.6%.

The first sentence of Condition 5 of the Williams & Glyn's Bank Access Conditions of Use is accordingly amended from 30th October 1981 to read as follows:—

'Interest will be charged at the rate of 2.25% per month on a daily basis equivalent to a maximum annual rate of 30.6%.'

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#### Companies and Markets

## Boosey up at six months

TAXABLE PROFITS of Boosey and Hawkes, music publisher and manufacturer of musical instruments, advanced from £80,000 to £259,000 for the six months to June 1981 despite turnover remaining static at £9.1m, compared with £9.15m.

Continuing uncertainties in the UK and worldwide make forecasting difficult, the directors say and although they expect some improvement in trading for the year as a whole they point out that extraordinary charges incurred in acquiring Buffet Crampon International earlier this year may significantly affect the outcome.

They say the "modest improvement" in the first half arose mainly from the level of publishing income and in overseas profits. In contrast, the directors explain that significant costs were incurred in the corresponding months of 1980 from closures of loss-making activities.

The pre-tax surplus for the six months was struck after interest of £195,000 (£252,000) and was subject to tax of £125,000 (£35,000).

There was a turnaround in minorities from a credit of £3,000 to a debit of £4,000 and

extraordinary debits—terminal costs—were reduced from £115,000 to £22,000.

The interim dividend is the same at 1.5p net per 25p share— for 1980 a total of 5.667p was paid.

#### comment

Boosey and Hawkes has picked itself up off the floor but it is not yet walking. The improvement is largely thanks to the elimination of the loss-making electric organ operation and some trading pick-up in Europe and North Africa. The company paid £4.5m at the end of June for Buffet Crampon International, a U.S. musical instrument manufacturer, but had to take on expensive bridging finance until the sale of a West End property is completed. This is expected to take place in the near future and should bring in £4.5m. The company expects Buffet to contribute to profits this year, although last year it produced a £2.35m loss after tax. B and H's borrowings have increased since the year end, in addition to the bridging loan, but the balance sheet is not under pressure. The company is reluctant to make any forecasts, but if trading continues to improve it's likely that the final will be maintained. The shares, up 5p to 133p, then have a prospective yield of more than 6 per cent.

## P.C. Henderson interim profits expand by 18%

TAXABLE PROFITS of P. C. Henderson Group, sliding door gear, garage and industrial door manufacturer, expanded by 18 per cent from £938,000 to £1,111m for the half year ended August 29 1981 on external sales ahead slightly to £14.96m, against £14.49m.

Earnings per 25p share are shown as 12.3p, compared with 10.4p, and the interim dividend is stepped up from 2.25p to 2.75p net—last year's final payment was 5.75p paid from a pre-tax surplus of £1.46m.

At the moment, in its domestic markets, the company is seeing no sign of any pick-up in demand, and there are ample indications, directors state, of a very flat outlook for private housing.

"We do not expect the second half to be characterised by the seasonal uplift normally seen in our business," they add.

There was a deterioration in profitability of the industrial door division, both at home and abroad, but the sliding door gear and residential garage doors sectors have returned improvements. And subsidiaries in New Zealand and South Africa have both traded satisfactorily.

Action has been taken to restructure the industrial door operations in Germany, and the Republic of Ireland which gave rise to an extraordinary charge of £148,000.

#### BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are available as to whether dividends and interest or final and the subsidiaries shown below are based mainly on last year's timetable.

**TODAY**  
Interim—BSG International, Bambera Stores, Costa Patana, Haslam Sims and Coggins, Philip Hill Investments Trust, Hopkinson Holdings, Hunting Associated Industries, Lonsdale (Cayman) Tea and Rubber Estates, Modern

**FUTURE DATES**  
After—Suzanneville Nov. 5  
Gordon-Tyler Nov. 4  
Mountview Estates Nov. 4  
Fenlon Nov. 4  
Jagoe Nov. 10  
Parker Shaw Nov. 10  
Scouting National Trust Nov. 9  
Towns Centre Securities Nov. 6

After this item, tax of £517,000 (£441,000) and minorities credit of £1,000 last time, the available profit came through at £440,000, compared with £498,000. Dividends will absorb £131,000 (£106,000).

Total shareholders' funds at August 29 stood at £10.15m, against £9.54m at year-end February 28 last, and benefit from the translation gain from weak sterling during the six months. Gearing was 14.8 per cent, compared with 16.3 per cent at the year end.

#### comment

P. C. Henderson has shrugged off the setback it suffered in the second half of 1980. Interim profits before tax are not only twice those recorded in the preceding six months, but show an

## Chesterfield Props. higher at six months

Pre-tax profits of Chesterfield Properties improved from £1.51m to £1.99m for the first six months of 1981 on turnover higher at £3.67m, compared with £2.48m.

With stated earnings per share ahead at 4.84p (3.69p) the net interim dividend is being stepped up from 2.5p to 3p per 25p share—for 1980 a total of 6p was paid.

The surplus before tax was after interest charges of £506,000 (£385,000) and included share of profits of associates of £21,000 (£9,000). Interest of £144,000 gross (£10,500) arising on properties held for, or in the course of, development has been capitalised.

Tax for the half-year took £1.03m (£774,000) and after minorities the attributable balance emerged at £955,000 (£724,000) out of which dividend payments absorb £592,000 (£491,000).

Turnover included income from completed developments. No significant capital profits or losses arose during the six months.

## Barlow faces some opposition

INSTITUTIONAL shareholders of Barlow Holdings yesterday voiced their opposition to the planned redirection of the company following the sale of 70 per cent of the company's Malaysian estates to local interests for £24.7m, and abstained from voting on the planned disposal.

At a special shareholders' meeting in London the proposed sale of the estates to Permodalan Nasional—a Malaysian Government investment body—and Perlis Plantations was approved on a show of hands. Mr John Barlow, the chairman of Barlow Holdings, subsequently confirmed that shareholders with over 30 per cent of the shares had voted in favour of the resolution.

With large family and associated interests in favour of the disposal, the result of the vote was never really in doubt.

In a recent circular spelling out the details of the disposal and the group's future investment policy, Mr Barlow said that consideration would be given to the payment of a special distribution to shareholders.

Of the group's future investment plans, he said it would consider investing up to one-third of the proceeds directly in tropical agriculture, about a half would be invested in UK listed securities, with the remainder going directly into UK property.

Mr Barlow said at the start of yesterday's meeting that he had received indications from certain shareholders that the company's proposed future investment plans were not in accordance with their investment criteria.

Opposition to the group's future investment plans was voiced by Mr Alan Pendleton, of Friends Provident, who was speaking on behalf of Barlow's 11 institutional shareholders representing altogether 18 per cent of the company's capital.

Reading from a prepared statement, Mr Pendleton told the meeting that while the institutions had no objection to the sale of the estates which was in accordance with Malaysia's new economic policy, he said that the group's proposals for the reinvestment of the sale proceeds

should be seen in shareholders at a separate meeting.

The spokesman said that the minority shareholders felt it inappropriate for a plantation company to reinvest in property and this policy should be reconsidered and become the subject of a separate resolution.

Mr Barlow said that due consideration would be given to the group's investment policy. He said he had taken note that some shareholders were not entirely happy with the group's plans and he promised that the policy would be kept under review.

Mr Barlow said "We cannot change it at this meeting. The group has not to change its investment direction and the group has been advised that the meeting should treat the matter as one."

#### NOTICE OF REDEMPTION

To the Holders of

## ENTE NAZIONALE IDROCARBURI E.N.I.

(National Hydrocarbons Authority)

6½% Sinking Fund Debentures due June 1, 1987.

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Sinking Fund for the Debentures of the above-described issue, Morgan Guaranty Trust Company of New York, as Fiscal Agent, has selected by lot for redemption on December 1, 1981 at the principal amount thereof \$521,000 principal amount of said Debentures, as follows:

Outstanding Debentures of U.S. \$1,000 Each of Prefix "M" Bearing Serial Numbers

Ending in the Following Two Digits:

03 22 35 43

Also Debentures of U.S. \$1,000 Each of Prefix "M" Bearing the Following Serial Numbers:

751 1051 2851 3751 5151 6151 6851 7851 8851 9851 10351 11351 12351 13351 14351 15351 16351 17351 18351 19351 20351 21351 22351 23351 24351 25351 26351 27351 28351 29351 30351 31351 32351 33351 34351 35351 36351 37351 38351 39351 40351 41351 42351 43351 44351 45351 46351 47351 48351 49351 50351 51351 52351 53351 54351 55351 56351 57351 58351 59351 60351 61351 62351 63351 64351 65351 66351 67351 68351 69351 70351 71351 72351 73351 74351 75351 76351 77351 78351 79351 80351 81351 82351 83351 84351 85351 86351 87351 88351 89351 90351 91351 92351 93351 94351 95351 96351 97351 98351 99351

On December 1, 1981, there will become due and payable upon each Debenture the principal amount thereof, in such coin or currency of the United States of America as on said date is legal tender for the payment thereof of public and private debts, at the option of the holder, either (a) at the corporate trust office of Morgan Guaranty Trust Company of New York, 13th Floor, 30 West Broadway, New York, N.Y. 10015, or (b) subject to any laws and regulations applicable thereto with respect to the payment, currency of payment or otherwise in the country of any of the offices, at the principal office of Banca Nazionale del Lavoro in Rome or the principal office of Banca Commerciale Italiana in Milan or the main office of Morgan Guaranty Trust Company of New York in London, Brussels, Paris or Frankfurt or the main office of Algemeene Bank Nederland N.V. in Amsterdam or the main office of Kredietbank S.A. Luxembourg or the main office of the Bank of Montreal in Montreal.

Debentures surrendered for redemption should have attached all unexpired coupons appurtenant thereto. Coupons due December 1, 1981, should be detached and collected in the usual manner.

From and after December 1, 1981, interest shall cease to accrue on the Debentures herein designated for redemption.

ENTE NAZIONALE IDROCARBURI

By: MORGAN GUARANTY TRUST COMPANY

OF NEW YORK, Fiscal Agent

#### NOTICE

The following Debentures previously called for redemption have not as yet been presented for payment:

DEBENTURES OF U.S. \$1,000 EACH

25146 5154 5928 9330 10885 11520 11528 11530 11540 11552 11554 11576 12522 12527 22222

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange in London. It does not constitute an invitation to the public to subscribe for or purchase any shares.

# ANR

## AMERICAN NATURAL RESOURCES COMPANY

Shares of Common Stock  
(par value \$1 per share)

AUTHORISED  
33,000,000

ISSUED AND RESERVED  
FOR ISSUE  
24,952,116

All of the above shares of Common Stock (comprising 23,474,572 shares issued and outstanding and 1,477,544 shares reserved for issue as at 28th October, 1981) have been admitted to the Official List by the Council of The Stock Exchange. Particulars relating to the Company have been circulated in the Extel statistical service and copies of the statistical cards may be obtained during usual business hours up to and including 11th November 1981 from:—

Morgan Grenfell & Co. Limited  
New Issue Department,  
21 Austin Friars,  
London EC2N 2HB.

Hoare Govett Limited  
Heron House,  
319/325 High Holborn,  
London WC1V 7PB

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27 Throgmorton Street,  
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Electra Risk Capital p.l.c., Electra House,  
Temple Place, Victoria Embankment,  
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## Clive Discount Holdings Limited

Interim Statement

The Company has made an overall loss for the period after allowing for unexpired depreciation on assets held at 30 September 1981 and for redundancy payments in respect of the closure of Clive Investments. The position has subsequently improved and although the loss is not large, the Board has decided not to declare an interim dividend. The recommendation of a final dividend will be considered when the results for the full year are known. The current stance remains very cautious in view of the extreme uncertainty in international markets.

1 Royal Exchange Avenue, London EC3V 3LJ. Tel: 01-583 1191

هكمان النحل

**MINING NEWS**

# Lornex profits falling back

BY KENNETH MARSTON, MINING EDITOR

THE STORY of hard times for the world's producers of base metals continues with the monthly results of Canada's Lornex Mining which produces copper and molybdenum in British Columbia.

While net revenue from mine production has fallen to C\$10.5m (250m) from C\$13.9m in the same period of last year, net earnings have dwindled to C\$2.1m or C\$2.63 per share, from C\$3.2m. However, the latest half-yearly dividend is being maintained at C\$1.

Investment income has fallen and, inevitably, mining revenue has been lower. Metal prices, at the same time, have increased, but the rise is partly attributable to the ex-

## Metals Ex challenges N. Kalgurli

THE VETERAN Australian gold producer North Kalgurli Mines is facing a challenge from Metals Exploration, which holds a stake of 20 per cent through its wholly-owned subsidiary Australian Placer.

Metals Ex wants to remove two directors from the North Kalgurli board, including the chairman, Mr. John Jones, and increase the maximum size of the board to eight members from five. Metals Ex also wants to place four nominees on the enlarged board.

This proposal, if implemented, would give Metals Ex control of North Kalgurli, with four out of seven board seats and one vacancy. North Kalgurli's directors said yesterday that they could not accept the proposition that one shareholder with only 20 per cent of the issued capital should take control of the company.

They added that there was no substance in the claim by Metals Ex that North Kalgurli was not properly developing its Flimsion gold property on Australia's "Golden Mile", near the town of Kalgoorlie.

The Flimsion mine closed down in 1975, and North Kalgurli has begun work on reopening it. The mine is in production, with about 70,000 tonnes of ore stockpiled on surface, broken ore stocks underground and operating stops.

All sections of the treatment plant are now on stream, and ore from the mine is being treated at the planned rate of 200,000 tonnes a year.

# New fund to invest in USM

THE Jersey-based Britannia International Investment Management, a member of the Britannia Group of Investment Companies, yesterday launched the Britannia Unlisted Securities Market Fund — the first open-ended fund investing in the Unlisted Securities Market.

The Britannia Group, one of the leading unit trust concerns in the UK, has taken the off-shore route to offering a specialist USM fund to the UK investing public. It follows the normal pattern of off-shore funds, with the public investing in shares instead of units. But the share price is determined on net asset values, the same manner as the unit price.

Although the participating redeemable preference shares of the fund are listed on the Stock Exchange, investors will normally acquire and dispose of shares through the managers in Jersey. The offer price is 98.1p per share and the minimum initial investment £1,000. The charges are an initial 5 per cent and an annual charge of 1 per cent.

The investment policy of the fund is to invest in unquoted companies primarily in the UK through the USM. But a minimum liquidity of 10 per cent of the fund will be held at all times and up to 20 per cent of the portfolio may be invested in unquoted companies not listed on the USM, including unlisted securities overseas such as Over the Counter stocks in the U.S. Not more than 10 per cent of the fund will be invested in any one company.

● **comment**

Britannia has taken the off-shore route in launching the first unit trust investing specifically in the USM companies. This offers three advantages to investors: first they can invest immediately in USMs instead of waiting for DoF clearance for an authorised unit trust; secondly, the fund will invest heavily in the USM sector and will not be subject to the 25 per cent limit imposed on authorised unit trusts; and thirdly, the share price will reflect fully the underlying asset value of the USM investments, unlike the four previous USM funds which have been investment trusts. But investors are now in a fund whose price wholly reflects the volatility of the USM sector and should heed Britannia's advice that investors should not commit more than 10 per cent of their equity portfolio into this new investment field.

## Asset sales lift profits at Denison Mines

IN SHARP contrast to most other North American natural resource companies, Canada's Denison Mines has reported a gain of 10 per cent in profits for the first nine months of the year.

Net profits came out at C\$47.6m (£1.8m), up from C\$43.2m last time, with earnings per share rising to C\$2.61 from C\$2.36. Sales were up 7.5 per cent at C\$289m.

The improvement reflects increased gains on the sale of investments, notably Denison's share of the Coalpur thermal coal property in Alberta, and higher income from oil and gas interests, mostly offshore, reports John Segalich in Toronto.

Mr. Stephen B. Roman, Denison's chairman, said that the major factors affecting these beneficial effects were higher production costs for uranium and the expenses of the settlement of anti-trust proceedings relating to uranium instituted several years ago by Westinghouse Electric and the Tennessee Valley Authority in the U.S. This litigation cost Denison 56 cents a share.

Further good news from Canada is provided by the Canadian companies Rayrock Resources, Lacana Mining and United Sisco Mines, which together own 79 per cent of the new Pinson open-pit gold mine about 200 miles north-east of Reno, Nevada, in the U.S.

This mine is operating above expectations, and by the end of September, the operators had reduced a bank loan of US\$15.9m (£8.2m) to just \$5.6m, with the repayments including \$2.2m in interest.

Pinson's mill is currently treating around 1,100 tons of ore a day, at a grade of 5.5 grammes of gold per ton. The grade is slightly higher than pre-production estimates.

Total operating costs per ton milled have been averaging just under \$23, equivalent to \$129 per ounce of gold recovered, against a current price of around \$430 an ounce.

The mine, currently providing around 5 tons of gold U.S. output, has enough ore in the main orebody to remain in operation for almost 10 years.

Another Canadian gold operation, the Columbia mine near Hope, British Columbia, is expected to start feeding its 1,500 tons a mill by late November. At this rate of extraction, the mine should be producing 200 oz of gold a day.

The mine is 50 per cent-owned by Carolla Mines, with the remainder held by the Aquarius group, which includes Ocelot Industries.

## 'Johnnies' may have a more difficult year

IN THE absence of an economic recovery in North America, Europe and Japan, and in the price of gold and other exports, South Africa's Johannesburg Consolidated Investment ("Johnnies") mining and industrial group expects a more difficult year following the record R97.8m earned in the 12 months to last June.

In his annual statement the chairman, Mr. Gordon Waddell who has succeeded Sir Albert Robinson, is optimistic about the group's long-term coal prospects via the full acquisition of Tavistock Collieries.

"Johnnies" hopes to be granted a significant coal export quota arising from South Africa's decision to lift the country's annual coal exports from 44m tonnes to 80m tonnes by the end of the decade.

Meanwhile, there seems little hope of any increase in revenue from the group's diamond investments which accounted for 28.5 per cent of income from mining in the past year.

This probably also applies to gold and platinum although the new refinery which will treat base metal by-products at Rustenburg should produce important cost savings.

## Newmont also in the cold

THIRD-QUARTER results of the American mining major Newmont Mining, in which London's Consolidated Gold Fields now has a stake of 14.2 per cent and is aiming to increase this to 26 per cent, show a net profit of \$24m (£13m) compared with \$30m in the same period of last year.

This brings the total for the first nine months of this year to \$71.1m, or \$2.71 per share, against \$162.6m in the same period of last year. But the 1981 figures do not include exceptional gains on the sale and exchange of shares in St Joe Minerals and Conoco.

## Throgmorton Secured Tst.

Mr. M. Elderfield, chairman of the Throgmorton Secured Growth Trust, says in his annual statement that conditions within stock markets during the year to end July continued to be volatile, although in recent months the general undertone has been strong.

During the year the directors endeavoured to take advantage of those circumstances through their actions continued to reflect a feeling of caution related to the general economic background both at home and overseas.

He says this cautious has led to a continued move away from traditional manufacturing and engineering industries and to an added emphasis on companies whose activities concentrate on service related areas.

Mr. Elderfield says that in the coming 12 months the directors will continue to invest in companies that have the products, capacity and management skill to take the maximum advantage of any improvement in the underlying trend.

The balance sheet shows net current assets down from £28,083 to £23,301. Meeting, 100 Old Broad Street, EC, November 18, at 12.30 pm.

| BASE LENDING RATES                           |  |
|--|--|
| A.B.N. Bank 15 1/2%                          | Guinness Mahon 15 1/2%   |
| Allied Irish Bank 15 1/2%                    | Hambros Bank 15 1/2%   |
| American Express Bk. 15 1/2%                 | Heritable & Gen. Trust 15 1/2%   |
| Amro Bank 15 1/2%                            | Hill Samuel 15 1/2%  |
| Barclays Bank 15 1/2%                        | C. Hoare & Co. 15 1/2%   |
| Barclays Bank 15 1/2%                        | Hangkong & Shanghai 15 1/2%  |
| Banco de Bilbao 15 1/2%                      | Knolly & Co. Ltd. 15 1/2%  |
| BCCI 15 1/2%                                 | Langris Trust Ltd. 15 1/2%   |
| Bank of Cyprus 15 1/2%                       | Lloyds Bank 15 1/2%  |
| Bank of India 15 1/2%                        | Mallinham Limited 15 1/2%  |
| Banque Belge Ltd. 15 1/2%                    | Edward-Manson & Co. 17 1/2%  |
| Banque du Rhone at de la Tamise S.A. 15 1/2% | Midland Bank 15 1/2%   |
| Barclays Bank 15 1/2%                        | Samuel Montagu 15 1/2%   |
| Beneficial Trust Ltd. 15 1/2%                | Morgan Grenfell 15 1/2%  |
| Brennar Holdings Ltd. 15 1/2%                | National Westminster 15 1/2%   |
| Bristol & West Invest. 17 1/2%               | Notwich General Trust 15 1/2%  |
| Brit. Bank of Mid. East 15 1/2%              | P. S. Refson & Co. 15 1/2%   |
| Brown Shipley 15 1/2%                        | Parsons Gtee Cpn. 15 1/2%  |
| Canada Perm. Trust 15 1/2%                   | E. S. Schwab 15 1/2%   |
| Cayzer Ltd. 15 1/2%                          | Slavenburg's Bank 15 1/2%  |
| Cedar Holdings 15 1/2%                       | Standard Chartered 15 1/2%   |
| Charterhouse Japhet 15 1/2%                  | Trade Dev. Bank 15 1/2%  |
| Choulatons 15 1/2%                           | Trustee Savings Bank 15 1/2%   |
| Citibank Savings 15 1/2%                     | TCB Ltd. 15 1/2%   |
| Clydesdale Bank 15 1/2%                      | United Bank of Kuwait 15 1/2%  |
| C. E. Coates 15 1/2%                         | Whiteaway Laidlaw 15 1/2%  |
| Consolidated Credits 15 1/2%                 | Williams & Glyn's 15 1/2%  |
| Co-operative Bank 15 1/2%                    | Wintrust Secs. Ltd. 15 1/2%  |
| Corinthian Secs 15 1/2%                      | Yorkshire Bank 15 1/2%   |
| The Cyprus Popular Bk. 15 1/2%               | Members of the Accepting Houses Committee  |
| Duncan Lawrie 15 1/2%                        | 7-day deposits 14%, 1-month 14.25%, 3-month 14.5%, 6-month 14.75%, 12-month 15.0%                |
| Eagle Trust 15 1/2%                          | 7-day deposits on sums of £10,000 and under 13 1/2%, up to £50,000 14%, and over £50,000 14 1/2% |
| E. T. Trust Limited 15 1/2%                  | Call deposits £1,000 and over 15 1/2%  |
| Flack Nat. Bn. Corp. 17 1/2%                 | Demand deposits 14%  |
| First Nat. Secs. Ltd. 15 1/2%                | 21-day deposits over £1,000 15%  |
| Robert Fraser 15 1/2%                        | 1-month base rate  |
| Anthony Gibbs 15 1/2%                        |  |
| Grindlays Bank 15 1/2%                       |  |

## NOTICE OF REDEMPTION To the Holders of ENTE NAZIONALE IDROCARBURI E.N.I. (National Hydrocarbons Authority) 6 1/2% Sinking Fund Debentures due June 1, 1988

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Sinking Fund for the Debentures of the above-described issue, Morgan Guaranty Trust Company of New York, as Fiscal Agent, has selected by lot for redemption on December 1, 1981 at the principal amount thereof \$750,000 principal amount of said Debentures, as follows:

Outstanding Debentures of U.S. \$1,000 Each of Prefix "M" Bearing Serial Numbers Ending in the Following Two Digits:

|    |    |    |    |    |
|----|----|----|----|----|
| 50 | 61 | 67 | 75 | 97 |
|----|----|----|----|----|

Also Debentures of U.S. \$1,000 Each of Prefix "M" Bearing the Following Serial Numbers:

|     |      |      |      |      |      |      |      |      |       |       |       |       |       |       |       |
|-----|------|------|------|------|------|------|------|------|-------|-------|-------|-------|-------|-------|-------|
| 140 | 2340 | 4740 | 5540 | 6540 | 7140 | 7940 | 8540 | 9340 | 10740 | 11740 | 14940 | 18940 | 21340 | 23040 |       |
| 540 | 4040 | 4840 | 5140 | 5140 | 7040 | 7440 | 8040 | 8840 | 9840  | 10840 | 12140 | 12640 | 13140 | 20740 | 25940 |

On December 1, 1981, there will become due and payable upon each Debenture the principal amount thereof, in such coin or currency of the United States of America as on said date is legal tender for the payment thereof of public and private debts, at the option of the holder, either (a) at the corporate trust office of Morgan Guaranty Trust Company of New York, 134th Floor, 30 West Broadway, New York, N.Y. 10015, or (b) subject to any laws and regulations applicable thereto with respect to the payment, currency of payment or otherwise in the country of any of the following offices, at the principal office of Banca Nazionale del Lavoro in Rome or the principal office of Banca Commerciale Italiana in Milan or the main offices of Morgan Guaranty Trust Company of New York in London, Brussels, Paris or Frankfurt or the main office of Algemeene Bank Nederland N.V. in Amsterdam or the main office of Kreditbank S.A. Luxembourg in Luxembourg-Ville.

Debentures surrendered for redemption should have attached all unexpired coupons appurtenant thereto. Coupons due December 1, 1981 interest shall cease to accrue on the Debentures herein designated for redemption.

From and after December 1, 1981 interest shall cease to accrue on the Debentures herein designated for redemption.

ENTE NAZIONALE IDROCARBURI  
By: MORGAN GUARANTY TRUST COMPANY  
OF NEW YORK, Fiscal Agent

The following Debentures previously called for redemption have not yet been presented for payment:

| DEBENTURES OF U.S. \$1,000 EACH |       |       |       |       |
|---------------------------------|-------|-------|-------|-------|
| M 17612                         | 17614 | 20612 | 27406 | 27800 |

# With profits improving, markets growing and major investment and cost-saving programmes being completed this year, how can accepting Hanson's offer make any sense?

- **Berec's profits are now improving**  
Berec's directors are forecasting attributable profit before taxation of about £14 million in the current year. In the first half of the year such profit was higher than last year's, and the upward trend evident in the second quarter has continued through September when management accounts showed profits fully up to expectations.
- **Berec is a leader in growing markets**  
Berec is the market leader in Europe and Africa and the second largest manufacturer of dry batteries worldwide. The markets for zinc carbon batteries and new battery systems, particularly alkaline manganese, are expected to grow in real terms over the next few years - alkaline manganese is expected to grow by 24% per annum in Europe.
- **Berec's recent investments are about to show returns**  
Berec's demonstrably superior range of alkaline manganese batteries is to be launched in early 1982. Cost-saving measures have resulted in a 10% improvement in productivity in the United Kingdom battery companies, and further benefits are expected next year as start-up losses are eliminated, particularly in Hong Kong.
- **Berec shareholders should not give away their company at the very moment when the tide is beginning to turn.**  
**That would make no sense at all.**

The Directors of Berec Group Limited have taken all reasonable care to ensure that the facts stated and the opinions expressed herein are fair and accurate, and they jointly and severally accept responsibility accordingly.

## APPOINTMENTS

## Lord O'Brien joins Banque Belge board

Lord O'Brien of Louthbury, a former Governor of the Bank of England, has been appointed vice-chairman of BANQUE BELGE and a director of Banque Paribas.

To assist further in the integration process of READY MIXED CONCRETE, and Farley and Lewers, Mr. Lawford Richardson, chairman of Farley and Lewers, has been appointed deputy chairman of Ready Mixed Concrete and Mr. Michael Farley, managing director of Farley and Lewers, has been appointed director of Ready Mixed Concrete.

Mr. A. A. Taberner is to become managing director of both RECORD RIDGWAY and Record Ridgway Tools. Mr. Taberner is currently managing director of Neill Tools and he is expected to join the group in November.

Mr. David G. Hermitage has been appointed chairman of KIRKLAND WHITTAKER (STERLING BROKERS).

KCA INTERNATIONAL announces that its deputy group managing director, Mr. John Wilson, has been appointed a group managing director. Mr. Alex Barnard, at present a group managing director, will continue in that capacity.

Under a restructuring of its European operations, CHEMICAL BANK has created two new regional heads. Mr. James M. Frost, vice president and general manager of the Paris branch, becomes regional head for the bank's operations in France, Italy and Spain, remaining in Paris. Mr. Harold A. McCleery, vice president, moves from London to New York to take over responsibility for the bank's operations in Belgium, Switzerland and West Germany.

Mr. McCleery's successor in London as head of the corporate banking department is Mr. Jay R. Wepler, vice president, currently branch manager in Hong Kong.

Two appointments have been made by Rockwell International Corporation's communications division. Mr. Leonard Grouse has been appointed to the newly created post of staff vice president, strategic management, at CEO's headquarters in Dallas. Mr. Harvey A. Leva, previously head of planning and development of the financial and information services group of Citicorp, was named director of strategic management for telecommunications.

At the extraordinary meeting of N.V. Belegingsmaatschappij Wereldhave to be held on November 11, the nomination will be proposed of Mr. A. Voute as a member of the executive board

of the company from January 1. Since 1969 Mr. Voute has been a partner of Loeff and Van der Ploeg, international lawyers.

CONTINENTAL BANK states that M. Jean-Louis F. Recoussier, head of the European division, international banking department, has been named a senior vice president.

The following board appointments have been made by MONARCH ALUMINIUM, Cheltenham: Mr. Dusan Belin, manufacturing director; Mr. Roger Emsley, technical director; and Mr. Peter Jarrett, sales and marketing director. The company is part of SAPA Holdings.

Mr. David Neale has been appointed financial director of ERNEST JONES (JEWELLERS) from November 2.

Mr. W. H. Fulton has been appointed a non-executive director of WHATMAN REEVE ANGEL. He is the managing director of Sony (UK).

Mr. Philip Pinnegar, director of sales at CAPITAL RADIO, has been appointed to the board of the station as sales director.

Mr. John E. Wayne has been appointed sales director of MATTHEWS AND YATES, fan and air handling equipment manufacturer, Swinton.

Mr. J. W. (Dan) Lodge has been appointed managing director of ROTHEROE AND MITCHELL. He was previously managing director of Bryans Southern Instruments.

AITKEN HUME has made the following appointments: Mr. W. C. W. Smith to be executive deputy chairman and Mr. A. Turnbull to be a director. Mr. P. Murphy has resigned from the board. Mr. Aitken Hume has appointed a managing director of Hume Corporation, the wholly-owned banking subsidiary of Aitken Hume, and chairman of Industrial Funding Trust, the instalment credit subsidiary of Hume Corporation. Mr. Turnbull will also be joining the board of Hume Corporation (Guernsey). Mr. Smith is appointed deputy chairman of Hume Corporation.

N. M. Rothschild has taken a substantial minority stake in a new pension consultancy, LEONARD CROUSE ASSOCIATES. Mr. Leonard Grouse has been appointed managing director and Mr. John Gilbert, director and secretary. The non-executive directors are Mr. John Gillum, Mr. John Redwood, and Mr. Victor Wood, who also becomes chairman.

Mr. Eric Wightman has been appointed technical director, ALFRED HERBERT. He replaces Mr. Ray Stanton, who was technical director until he took up an appointment at president, Alfred Herbert Inc. The U.S. subsidiary, earlier this year, Mr. Wightman was previously chief engineer, Rotaprint, but prior to that had been technical director

for the machine tool division of the former Alfred Herbert Group.

HIGHGATE AND JOE GROUP states that Mr. R. A. Fargher has resigned as a director.

Mr. Anthony E. Beale will be joining R. LAYTON AND CO. stockbrokers, as an associate member from November 2.

Mr. Anthony Edgell Luke has been appointed a director of GEORGE WILLIAMSON AND COMPANY, Williamson Tea Holdings and Romat Tea Holdings from November 1.

Mr. J. V. P. Cloughessy has been appointed managing director of R. RAPHAEL AND SONS.

Mr. J. J. Cusance Baker has been appointed marketing director of G. T. UNIT MANAGERS following the resignation of Mr. J. A. J. Berry.

A new managing director has been appointed to ATLAS COPCO (GREAT BRITAIN). He is Mr. C. Melville Errington, who moves over from president of Atlas Copco North America's industrial compressor division from November 1. He succeeds Mr. Colin Read who has been appointed managing director of Atlas Copco UK Holdings.

Mr. M. A. Nicolson, a director of Booker McConnell, will retire from the executive committee of the Board of BOOKER MCCONNELL on October 31 on reaching the age of 60. He will also retire as chairman of Booker Bros (Liverpool), and as a director of Booker McConnell Engineering.

Mr. J. D. M. Forbes, managing director of Booker Line, will become chairman of Booker Bros (Liverpool) from November 1. Mr. Nicolson will remain on the boards of Booker McConnell and Booker Bros (Liverpool) as a non-executive director and on the boards of Booker Line and Coe Metcalf Shipping, as chairman.

BRITISH GAS has appointed two new assistant directors in its research and development division. Dr. Norman Ross has been appointed an assistant director at Watson House and Mr. Greville Gibson becomes an assistant director at its London Research Station from December 1.

RADIO VICTORY (PORTS) has appointed two new directors—Mr. Bruce Jenkins, company secretary, and Mr. John Roach, who becomes sales director.

Mr. Brian Hill has been appointed director of purchasing and shipping for JOHN LAING CONSTRUCTION as head of buying for the company's civil engineering, civil and international activities. Since 1977 he has been regional director for the south west. He is succeeded in south west region by former district manager Mr. Peter Rowe who is appointed regional manager.

Mr. J. L. Briggs, currently sales director in MONSANTO'S

UK carpet group, has been appointed to the newly-established position of marketing director, textiles, Europe-Africa, based at the company's European headquarters in Brussels. Mr. W. K. J. Hollows, who is currently responsible for Mansanto's UK apparel and home furnishings groups, is appointed to the new position of area manager, Textiles, UK/Eire.

Mr. Howard A. Fine, formerly executive vice president of Trusthouse Forte Hotels Inc. and president of its U.S. and Canadian marketing divisions, has joined NORWEGIAN AMERICAN CRUISES, New York, as president, the Americas. Parent company is Lohf Hogg and Company, Oslo. Mr. Patrick Kirkpatrick, general manager, North America, has been promoted to senior vice president, the Americas.

AMP OVERSEAS SERVICES has appointed Mr. John Goffe as director of the newly-opened Brussels office.

Mr. Brian Thompson has been appointed sales director of PILKINGTON'S TILES, member of the Thomas Tilling Group. He has joined Pilkington's Tiles from Hill (Great Britain) where he was sales director.

Mr. John Bullock has been appointed as a part-time member of the U.K. ATOMIC ENERGY AUTHORITY for a period of three years from November 1. He is managing partner of the UK office of Deloitte Haskins and Sells, chartered accountants.

Mr. J. R. Crabtree and Mr. L. K. Tuse have been appointed to the board of PA MANAGEMENT CONSULTANTS (IRELAND). Both are already directors of PA Management Consultants.

Chetwynd Streets Group has formed a new company, CHETWYND STREETS MANAGEMENT SELECTION. Executive directors are Mr. Edward Simpson and Mr. John Cameron, both of whom join from the executive selection division of Coopers Lybrand. Other directors of the new company are Mr. Julian Broad, chairman of the Chetwynd Streets Group, and Mr. Ian McQuattie, the group's finance director.

At POLAROID (UK) the following have been appointed: Mr. Thomas Tait as manufacturing director; Mr. Michael Starling as company secretary; and Mr. Tim How as general manager, marketing. Mr. How replaces Mr. John Bowmer who will shortly take up an appointment as Far East regional managing director of MHL and Allen, based in Hong Kong.

Mr. Edward Gwynne Thomas has been appointed (from November 1) director of the South Wales regional branch of LLOYDS BANK. Mr. Thomas, who has recently retired from the bank, was for several years regional general manager for the South Midlands.

Dr. Wolfgang Lahte has been appointed general manager of the London branch of CREDITANSTALT BANK-VEREIN and Mrs. Janet Chamberlain has been appointed manager, export finance.

Mr. Howard Karren has been named president of NATOMAS PETROLEUM INC., a newly-formed subsidiary to manage Natom's international petroleum exploration and development programme. He will be responsible for overseeing Natom's petroleum operations in Colombia, the UK sector of the North Sea, the People's Republic of China and Egypt, as well as new exploratory ventures in other countries.

Mr. Samuel B. Casey Jr., former president and chief executive officer of Pullman Incorporated, resigned as director of Mellon National Corporation and Mellon Bank. His resignation is in connection with his acceptance of a new position as executive director of MERRILL LYNCH PRIVATE CAPITAL. He is also chairman of John F. Casey Company, and director of Joseph Dixon Crucible Company, Esmark Inc. and Universal-Rundell Corporation.

## CURRENCIES, MONEY and GOLD

## Dollar easier

Dollar lost ground to other major currencies in the foreign exchange market yesterday, reflecting the easier trend in Euro-dollar interest rates, and nervousness ahead of the U.S. September trade figures, which were expected to show a smaller deficit than in August. The market was also concerned about the situation in Poland, although the lack of any dramatic news may have been a factor against the U.S. currency.

Sterling improved against the dollar, and showed little adverse reaction to the lower trend in London interest rates.

European currencies rose against the dollar, while the Danish krone remained the strongest member of the European Monetary System, and the D-mark was again close to its divergence limit.

DOLLAR — fell to DM 2.3890 from DM 2.3080 against the D-mark; to FF 5.7455 against the FF 5.7855 against the French franc; to SwFr 1.8860 from SwFr 1.9075 in terms of the Swiss franc; and to Y233.90 from Y234.75 against the yen.

STERLING — trade-weighted index (Bank of England) figures fell to 88.3 from 88.3, after opening at 88.3 and standing at 88.3 at noon. The pound opened at \$1.150-1.151, and showed a firmer trend against the dollar for most of the day, finishing at \$1.150-1.151, a rise of 1.55 cents on the day. Sterling was unchanged at DM 4.1750, but rose to FF 4.9850 from FF 4.9650, and to Y426.75 from Y425. On the other hand the pound fell to SwFr 1.8860 from SwFr 1.9075.

D-MARK — Weakest member of the European Monetary System following the recent currency realignment and now trading around its divergence limit, which should help prevent earlier strains on the EMS if

the D-mark suddenly improves against the dollar. Although little changed from a month ago the German currency has lost ground to the dollar lately, reflecting not only high U.S. interest rates but a less favourable economic outlook for the Federal Republic next year. Inflation continues to rise and GNP projections have been revised downwards. The D-mark gained ground against the dollar as sterling fell, but was held back by a weaker reaction to the lower trend in London interest rates. The Bundesbank sold \$19.65m when the U.S. currency fell to DM 2.3890 from DM 2.3070 at the fixing, and continued to decline to around DM 2.38 in the afternoon. The German central bank may have also sold up to \$40m on the open market during the morning. The pound fell to DM 4.1510 from DM 4.1850, but the Swiss franc rose to DM 1.2115 from DM 1.2081. DANISH KRONE — Trading at the top of the EMS, helped by Denmark's narrowing trade deficit and lower inflation rate, but easier against the strong dollar in line with other European currencies. Its current position reflects the latest EMS realignment, which may change if currencies such as the D-mark and Dutch guilder reassess previous strength. The krone remained at the top of the EMS, and improved against the dollar and Swedish krona at the Copenhagen fixing, but eased slightly against the D-mark and guilders. The dollar was fixed at Dkr 7.3950, compared with Dkr 7.4125, but sterling rose to Dkr 13.4350 from Dkr 13.4340. The D-mark improved to Dkr 3.2150 from Dkr 3.2120 and the guilders to Dkr 2.9140 from Dkr 2.9130. Earlier this week the German authorities sold krone when the D-mark fell to its EMS floor against the Danish currency.

## THE DOLLAR SPOT AND FORWARD

| Oct 28       | Day's spread  | Close  | One month | Three months | %    |
|--------------|---------------|--------|-----------|--------------|------|
| UK           | 1.5276-1.5288 | 1.5280 | 0.71-0.80 | 0.68-0.80    | 0.14 |
| Ireland      | 1.5276-1.5288 | 1.5280 | 0.40-0.50 | 0.30-0.50    | 0.14 |
| Canada       | 1.2070-1.2082 | 1.2075 | 0.35-0.38 | 0.35-0.38    | 0.14 |
| Norway       | 2.2525-2.2540 | 2.2535 | 0.30-0.35 | 0.30-0.35    | 0.14 |
| Denmark      | 2.16-2.17     | 2.165  | 0.15-0.17 | 0.15-0.17    | 0.14 |
| Switzerland  | 1.8860-1.8875 | 1.8865 | 0.15-0.17 | 0.15-0.17    | 0.14 |
| France       | 5.7455-5.7470 | 5.7465 | 0.15-0.17 | 0.15-0.17    | 0.14 |
| Italy        | 1.216-1.220   | 1.217  | 0.15-0.17 | 0.15-0.17    | 0.14 |
| Norway       | 5.8900-5.8920 | 5.8910 | 0.15-0.17 | 0.15-0.17    | 0.14 |
| Sweden       | 5.7455-5.7470 | 5.7465 | 0.15-0.17 | 0.15-0.17    | 0.14 |
| Japan        | 233.90-234.75 | 234.30 | 0.15-0.17 | 0.15-0.17    | 0.14 |
| Australia    | 1.60-1.61     | 1.605  | 0.15-0.17 | 0.15-0.17    | 0.14 |
| South Africa | 1.8860-1.8875 | 1.8865 | 0.15-0.17 | 0.15-0.17    | 0.14 |

UK and Ireland are quoted in U.S. dollars. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

## THE POUND SPOT AND FORWARD

| Oct 28       | Day's spread  | Close  | One month | Three months | %    |
|--------------|---------------|--------|-----------|--------------|------|
| U.S.         | 1.5276-1.5288 | 1.5280 | 0.71-0.80 | 0.68-0.80    | 0.14 |
| Canada       | 2.2025-2.2040 | 2.2035 | 0.30-0.35 | 0.30-0.35    | 0.14 |
| Norway       | 5.8900-5.8920 | 5.8910 | 0.15-0.17 | 0.15-0.17    | 0.14 |
| Denmark      | 2.16-2.17     | 2.165  | 0.15-0.17 | 0.15-0.17    | 0.14 |
| Switzerland  | 1.8860-1.8875 | 1.8865 | 0.15-0.17 | 0.15-0.17    | 0.14 |
| France       | 5.7455-5.7470 | 5.7465 | 0.15-0.17 | 0.15-0.17    | 0.14 |
| Italy        | 1.216-1.220   | 1.217  | 0.15-0.17 | 0.15-0.17    | 0.14 |
| Norway       | 5.8900-5.8920 | 5.8910 | 0.15-0.17 | 0.15-0.17    | 0.14 |
| Sweden       | 5.7455-5.7470 | 5.7465 | 0.15-0.17 | 0.15-0.17    | 0.14 |
| Japan        | 233.90-234.75 | 234.30 | 0.15-0.17 | 0.15-0.17    | 0.14 |
| Australia    | 1.60-1.61     | 1.605  | 0.15-0.17 | 0.15-0.17    | 0.14 |
| South Africa | 1.8860-1.8875 | 1.8865 | 0.15-0.17 | 0.15-0.17    | 0.14 |

Swiss rate is for convertible franc. Finland rate 77.75-77.75. Six-month forward dollar 0.22-0.25, 12-month 0.22-0.25.

## CURRENCY MOVEMENTS

| Oct. 28           | Bank of England Index | Change | Oct. 27 | Bank of England Index | Change |
|-------------------|-----------------------|--------|---------|-----------------------|--------|
| sterling          | 88.3                  | -0.2   | 88.5    | -0.2                  | -0.2   |
| U.S. dollar       | 1.5280                | +0.02  | 1.5276  | +0.02                 | +0.02  |
| U.S. dollar       | 1.5280                | +0.02  | 1.5276  | +0.02                 | +0.02  |
| Australian dollar | 1.5280                | +0.02  | 1.5276  | +0.02                 | +0.02  |
| Belgian franc     | 1.5280                | +0.02  | 1.5276  | +0.02                 | +0.02  |
| Canadian dollar   | 1.5280                | +0.02  | 1.5276  | +0.02                 | +0.02  |
| Deutsche mark     | 1.5280                | +0.02  | 1.5276  | +0.02                 | +0.02  |
| French franc      | 1.5280                | +0.02  | 1.5276  | +0.02                 | +0.02  |
| Italian lira      | 1.5280                | +0.02  | 1.5276  | +0.02                 | +0.02  |
| Norwegian krone   | 1.5280                | +0.02  | 1.5276  | +0.02                 | +0.02  |
| Swedish krona     | 1.5280                | +0.02  | 1.5276  | +0.02                 | +0.02  |
| Swiss franc       | 1.5280                | +0.02  | 1.5276  | +0.02                 | +0.02  |
| Yen               | 1.5280                | +0.02  | 1.5276  | +0.02                 | +0.02  |

Bank of England index for convertible franc. Finland rate 77.75-77.75. Six-month forward dollar 0.22-0.25, 12-month 0.22-0.25.

## OTHER CURRENCIES

| Oct. 28          | Bank of England Index | Change | Oct. 27 | Bank of England Index | Change |
|------------------|-----------------------|--------|---------|-----------------------|--------|
| Argentina peso   | 1.5280                | +0.02  | 1.5276  | +0.02                 | +0.02  |
| Australia dollar | 1.5280                | +0.02  | 1.5276  | +0.02                 | +0.02  |
| Brazil cruzeiro  | 1.5280                | +0.02  | 1.5276  | +0.02                 | +0.02  |
| Canadian dollar  | 1.5280                | +0.02  | 1.5276  | +0.02                 | +0.02  |
| Deutsche mark    | 1.5280                | +0.02  | 1.5276  | +0.02                 | +0.02  |
| French franc     | 1.5280                | +0.02  | 1.5276  | +0.02                 | +0.02  |
| Italian lira     | 1.5280                | +0.02  | 1.5276  | +0.02                 | +0.02  |
| Norwegian krone  | 1.5280                | +0.02  | 1.5276  | +0.02                 | +0.02  |
| Swedish krona    | 1.5280                | +0.02  | 1.5276  | +0.02                 | +0.02  |
| Swiss franc      | 1.5280                | +0.02  | 1.5276  | +0.02                 | +0.02  |
| Yen              | 1.5280                | +0.02  | 1.5276  | +0.02                 | +0.02  |

Bank of England index for convertible franc. Finland rate 77.75-77.75. Six-month forward dollar 0.22-0.25, 12-month 0.22-0.25.

## EMS EUROPEAN CURRENCY UNIT RATES

| Oct. 28           | Bank of England Index | Change | Oct. 27 | Bank of England Index | Change |
|-------------------|-----------------------|--------|---------|-----------------------|--------|
| sterling          | 88.3                  | -0.2   | 88.5    | -0.2                  | -0.2   |
| U.S. dollar       | 1.5280                | +0.02  | 1.5276  | +0.02                 | +0.02  |
| Australian dollar | 1.5280                | +0.02  | 1.5276  | +0.02                 | +0.02  |
| Belgian franc     | 1.5280                | +0.02  | 1.5276  | +0.02                 | +0.02  |
| Canadian dollar   | 1.5280                | +0.02  | 1.5276  | +0.02                 | +0.02  |
| Deutsche mark     | 1.5280                | +0.02  | 1.5276  | +0.02                 | +0.02  |
| French franc      | 1.5280                | +0.02  | 1.5276  | +0.02                 | +0.02  |
| Italian lira      | 1.5280                | +0.02  | 1.5276  | +0.02                 | +0.02  |
| Norwegian krone   | 1.5280                | +0.02  | 1.5276  | +0.02                 | +0.02  |
| Swedish krona     | 1.5280                | +0.02  | 1.5276  | +0.02                 | +0.02  |
| Swiss franc       | 1.5280                | +0.02  | 1.5276  | +0.02                 | +0.02  |
| Yen               | 1.5280                | +0.02  | 1.5276  | +0.02                 | +0.02  |

Bank of England index for convertible franc. Finland rate 77.75-77.75. Six-month forward dollar 0.22-0.25, 12-month 0.22-0.25.

## EXCHANGE CROSS RATES

| Oct. 28           | Bank of England Index | Change | Oct. 27 | Bank of England Index | Change |
|-------------------|-----------------------|--------|---------|-----------------------|--------|
| sterling          | 88.3                  | -0.2   | 88.5    | -0.2                  | -0.2   |
| U.S. dollar       | 1.5280                | +0.02  | 1.5276  | +0.02                 | +0.02  |
| Australian dollar | 1.5280                | +0.02  | 1.5276  | +0.02                 | +0.02  |
| Belgian franc     | 1.5280                | +0.02  | 1.5276  | +0.02                 | +0.02  |
| Canadian dollar   | 1.5280                | +0.02  | 1.5276  | +0.02                 | +0.02  |
| Deutsche mark     | 1.5280                | +0.02  | 1.5276  | +0.02                 | +0.02  |
| French franc      | 1.5280                | +0.02  | 1.5276  | +0.02                 | +0.02  |
| Italian lira      | 1.5280                | +0.02  | 1.5276  | +0.02                 | +0.02  |
| Norwegian krone   | 1.5280                | +0.02  | 1.5276  | +0.02                 | +0.02  |
| Swedish krona     | 1.5280                | +0.02  | 1.5276  | +0.02                 | +0.02  |
| Swiss franc       | 1.5280                | +0.02  | 1.5276  | +0.02                 | +0.02  |
| Yen               | 1.5280                | +0.02  | 1.5276  | +0.02                 | +0.02  |

Bank of England index for convertible franc. Finland rate 77.75-77.75. Six-month forward dollar 0.22-0.25, 12-month 0.22-0.25.

## FT LONDON INTERBANK FIXING (11.00 a.m. OCTOBER 28)

| 3 months U.S. dollars     | 6 months U.S. dollars     |
|---------------------------|---------------------------|
| bid 16 1/16 offer 16 1/16 | bid 16 1/16 offer 16 1/16 |

## EURO-CURRENCY INTEREST RATES (Market closing rates)

| Oct. 28        | Sterling      | U.S. Dollar   | Dollar | Dutch Guilder | Swiss Fr    | West German Mark | French Franc  | Italian Lira  | Belgian Franc | Japanese Yen |
|----------------|---------------|---------------|--------|---------------|-------------|------------------|---------------|---------------|---------------|--------------|
| Short term     | 15 1/4-15 1/2 | 14 1/4-14 1/2 | 20 21  | 12 1/2-12 3/4 | 8 1/2-8 3/4 | 10 1/2-10 3/4    | 15 1/4-15 1/2 | 16 1/4-16 1/2 | 12 1/2-12 3/4 | 6 1/2-6 3/4  |
| 7 days' notice | 15 1/4-15 1/2 | 14 1/4-14 1/2 | 20 21  | 12 1/2-12 3/4 | 8 1/2-8 3/4 | 10 1/2-10 3/4    | 15 1/4-15 1/2 | 16 1/4-16 1/2 | 12 1/2-12 3/4 | 6 1/2-6 3/4  |
| Month          | 15 1/4-15 1/2 | 14 1/4-14 1/2 | 20 21  | 12 1/2-12 3/4 | 8 1/2-8 3/4 | 10 1/2-10 3/4    | 15 1/4-15 1/2 | 16 1/4-16 1/2 | 12 1/2-12 3/4 | 6 1/2-6 3/4  |
| Three months   | 15 1/4-15 1/2 | 14 1/4-14 1/2 | 20 21  | 12 1/2-12 3/4 | 8 1/2-8 3/4 | 10 1/2-10 3/4    | 15 1/4-15 1/2 | 16 1/4-16 1/2 | 12 1/2-12 3/4 | 6 1/2-6 3/4  |
| 6 months       | 15 1/4-15 1/2 | 14 1/4-14 1/2 | 20 21  | 12 1/2-12 3/4 | 8 1/2-8 3/4 | 10 1/2-10 3/4    | 15 1/4-15 1/2 | 16 1/4-16 1/2 | 12 1/2-12 3/4 | 6 1/2-6 3/4  |
| 1 year         | 15 1/4-15 1/2 | 14 1/4-14 1/2 | 20 21  | 12 1/2-12 3/4 | 8 1/2-8 3/4 | 10 1/2-10 3/4    | 15 1/4-15 1/2 | 16 1/4-16 1/2 | 12 1/2-12 3/4 | 6 1/2-6 3/4  |

DRP included deposits: one month 13-13 1/2 per cent; three months 14-14 1/2 per cent; six months 14 1/2-15 1/2 per cent; one year 15-15 1/2 per cent. Deposits in Hong Kong: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in London: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in New York: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Singapore: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Tokyo: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Zurich: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Frankfurt: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Paris: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Rome: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Brussels: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Amsterdam: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Bern: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Geneva: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Lucerne: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in St. Gallen: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Zug: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Schwyz: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Uri: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Unterwalden: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Appenzel: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Glarus: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Solothurn: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Thurgau: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Valais: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Vaud: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Fribourg: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Neuchâtel: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Jura: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Ticino: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Lombardy: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Veneto: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Liguria: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Tuscany: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Umbria: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Marche: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Abruzzo: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Molise: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Basilicata: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Campania: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Puglia: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Basilicata: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Calabria: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Sicily: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Sardinia: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Corsica: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in France: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Germany: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Italy: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Spain: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Portugal: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Greece: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Turkey: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Egypt: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in India: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in China: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Japan: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Korea: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in South Korea: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Taiwan: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Hong Kong: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Singapore: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Malaysia: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Indonesia: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Philippines: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Thailand: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Vietnam: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Laos: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Cambodia: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Myanmar: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Bangladesh: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Pakistan: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Sri Lanka: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Nepal: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Bhutan: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Tibet: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Mongolia: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in North Korea: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in South Korea: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Taiwan: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. 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Deposits in Vietnam: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Laos: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Cambodia: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Myanmar: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Bangladesh: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Pakistan: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Sri Lanka: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Nepal: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Bhutan: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Tibet: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Mongolia: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in North Korea: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. 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Deposits in Philippines: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Thailand: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Vietnam: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Laos: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Cambodia: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Myanmar: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Bangladesh: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Pakistan: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Sri Lanka: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Nepal: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Bhutan: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Tibet: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Mongolia: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in North Korea: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in South Korea: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Taiwan: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Hong Kong: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Singapore: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Malaysia: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Indonesia: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Philippines: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Thailand: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Vietnam: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Laos: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Cambodia: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Myanmar: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Bangladesh: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Pakistan: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Sri Lanka: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Nepal: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Bhutan: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Tibet: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Mongolia: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in North Korea: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in South Korea: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. Deposits in Taiwan: one month 10-10 1/2 per cent; three months 11-11 1/2 per cent; six months 12-12 1/2 per cent; one year 13-13 1/2 per cent. 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Financial Times Thursday October 29 1981

Far be it from Sony to belittle the enormous skill, dedication and perseverance it takes to get to the top of Mount Everest.

But compared to what it takes to become an Authorised Sony Dealer, an Everest expedition is a bit of a picnic.

Before a dealer can be even remotely considered by Sony, his reputation among his customers has to be virtually immaculate.

If there are any serious complaints about him, or his sales assistants, or his service engineers, his career as a Sony dealer ends before it's begun.

If Sony are satisfied, it's on to an even more daunting stage.

Training to become a Sony Dealer.

The Sony Dealer Training Centre teaches dealers and their sales assistants how to demonstrate Sony products as knowledgeably and helpfully as Sony themselves do.

But the people who are really put through the mill are a dealer's service engineers.

They may need to learn the ins and outs of over 100 different Sony products. From the microchips in a Sony clock radio. To the multiple microcomputers in a Sony home video.

Once a dealer has downed his last drop of celebratory champagne, he discovers that becoming an Authorised Sony Dealer is child's play compared to remaining one.

If his showroom isn't helpfully laid out, Sony will want to know why.

Should you want your Sony delivered and installed, Sony expect it to be done quickly.

And if you have any call on the Sony guarantee, he knows he's got to give you top priority.

The most important rule for an Authorised Sony Dealer though, concerns where he gets his Sony products from.

There are many dealers who are not authorised to sell Sony, who obtain their Sony supplies from rather doubtful sources.

For example, Sony TV sets and home videos sneaked in from other countries, and amateurishly adapted for UK use by untrained people.

With an Authorised Sony Dealer, however, you know where your Sony has come from.

From Sony. To you.

SONY.

AUTHORISED DEALER



# He wouldn't have found it so easy to become a Sony dealer.

# Libya tests the market with rare \$200m credit

BY ALAN FRIEDMAN

the bond over the most recent

# ENTL. COMPANIES & FINANCE

Peter Montagnon looks at the problems of a major European borrower

## Italy at odds with its bankers

"WE ARE being discriminated against," complained one official. "There is a negative bias in the Eurocredit market against Italy."

His complaint betrays a genuine concern in Italian government circles over the country's relatively poor standing in the Eurocredit market. Margins for Italian borrowers have for some time been higher than those on borrowings by public sector entities in similar industrialised countries. Now they are showing clear signs of rising.

Recent Italian efforts to raise a large credit—\$500m for Ferrovie dello Stato the state railways—foundered over the government's inability to negotiate suitable terms with its bankers.

Predictably, the breakdown of this deal has been a source of malicious glee reverberated around the Eurocredit market. In the words of one banker, "another Italian loan went off the rails." Is this attitude fair? Italian officials are inclined to blame Italy's record for political instability for its unhappy relations with its bankers. For their part the bankers say this does not matter; Italy does not present problems of political risk, they say. Indeed, it has shown that it can function even without a government.

More important from the market's point of view is the large scale of Italian borrowing coupled with the country's disorderly approach to raising money.

Last year Italian borrowers raised \$6.27bn in the Eurocredit market, more than any other country except Venezuela. In the first nine months of this year borrowings totalled \$4.34bn, only slightly below the \$4.84bn in the same period of 1980.

### ITALIAN EXTERNAL DEBT

|                               | Gross debt outstanding |        | Repayment schedule due in |       |
|-------------------------------|------------------------|--------|---------------------------|-------|
|                               | 1979                   | 1980   | 1981                      | 1982  |
| Private sector                | 7,970                  | 11,522 | 1,801                     | 2,438 |
| Public sector                 | 6,174                  | 10,414 | 2,664                     | 2,664 |
| Debt of official institutions | 951                    | 1,099  | 2,564                     | 2,374 |
| Total                         | 15,095                 | 22,995 | 7,029                     | 7,476 |

Figures in billions of lire based on end-year 1980 exchange rates except for 1979 totals which are on end-1979 rates.

Source: Banca d'Italia

The market would like to see a drop in the level of Italian borrowing, coupled with an effective queueing system to ensure that no two major loans are floated in the market at the same time. To say, Italian officials offer only vague hopes of this being realised and, for the moment at least, past experience leaves commercial bankers unwilling to give Italy the benefit of the doubt.

Italy claims that its borrowing abroad is not directly related to any need to finance its balance of payments. Last year the current account deficit was \$10bn; this year, the import deposit should help narrow the gap to about \$8.5bn. Next year, officials are hoping for a substantial drop in the deficit.

Clearly, borrowing abroad has the indirect effect of covering this shortfall, but officials say the main impetus comes from the country's tight domestic monetary policy. So long as domestic capital is in short supply, Italian borrowers are forced to cover their needs abroad.

This means that a decline in the current account deficit does not necessarily imply any reduction in foreign borrowing levels. Monetary policy is likely to remain tight into next year as the battle against inflation continues. The Organisation for Economic Co-operation and Development forecasts that Italian consumer prices will rise by 20.5 per cent this year and 17 per cent in 1982.

Italian recourse to the Eurocredit market could thus remain heavy unless effective spending curbs can be imposed on Italian state entities which are traditionally heavy borrowers, or unless greater opportunities are created for them to fund themselves at home.

Italian officials hope that this will be the case, and claim that as inflationary expectations decline, there should be fresh opportunities for the flotation of bonds on the domestic market next year. Meanwhile, the flow of Eurocredits could be reduced by the informal queueing system now being operated by the Bank of Italy.

Commercial bankers acknowledge that there have been some signs of improved discipline in this respect since Cassa per il Mezzogiorno, the southern Italian regional development authority, failed to raise a \$2bn credit last spring. Poor market response to the credit's fine margins forced a reduction in the amount of the credit to only \$1bn.

But bankers argue that Italy should demonstrate even more clearly its willingness to impose discipline on state entities borrowing abroad.

Some Italian borrowers, including ENEL, the electric utility, and IMI, the financing body, have a much better reputation than others such as Ferrovie. The haphazard way in which they approach the market impairs the reputation of even the better borrowers.

The result is that Italian credit margins do not necessarily reflect the country's relative economic standing. Bankers say other countries are better able to co-ordinate not only the timing but also the order in which individual borrowers tap the market.

If Italy were able to get to grips with this problem, the differential which separates it from comparable borrowers might disappear. Italian officials say they are trying, "but it is not an easy task when you've large corporations with large [financial] needs that cannot be met at home."

Meanwhile, Italy is trying to diversify its borrowings into new markets and new currencies. Most of its debt is in dollars, but recently ENI, the state oil concern, has twice tapped the UK bankers' acceptance market for sterling credits which have been conspicuously well received.

## Finsider aid package approval

By Rupert Cornwell in Rome

THE ITALIAN Government has approved a L7,500bn (\$8.2bn) package to rescue the country's public sector steel industry and bring it back to financial balance by the middle of this decade.

The five-year plan, endorsed by the Government's industrial policy committee after months of uncertainty and argument, provides for a combination of loans, fresh capital, and state aid for Finsider, the steel arm of the publicly-owned IRI conglomerate, expected to lose almost L2,000bn (\$1.6bn) in 1981 alone.

In return, Finsider will shed almost 8,000 jobs between now and 1985, and step up its involvement in special steels where a significant alliance has already been sketched out with Teksid, the special steels division of Fiat, Italy's largest private group.

Assuming that all goes smoothly, the package should put an end to the acute financial difficulties of Finsider, which on two occasions this year put in jeopardy regular monthly salary payments to its employees, such as its shortage of liquidity.

Under the scheme the group will receive almost L5,000bn (\$4.1bn) in new capital from the State. A further L2,000bn will come from the proceeds of a convertible bond issue which IRI has been authorised to issue on Finsider's behalf. The remaining L500bn will be provided under existing legislation for aid to help restructure industries in trouble.

Cluskey, the Belgian steel company, has incurred increased losses of Bfr 712m (\$20.9m) for the 12 months ended June 1981, compared with losses of Bfr 589.9m previously. The last time profits were recorded was in 1974-75 when a profit of Bfr 317.2m was recorded.

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If the package is fully implemented, Finsider should be able to cope with its two central difficulties: a shortage of capital which has forced it to borrow ever more heavily and expensively from the banks to keep going; and the low productivity and inefficiency of some of its plants.

The aim is to restore the group to the black by 1985, by when it is hoped that Finsider should be making profits of over L700bn (\$573m). By that time, the committee said yesterday, recovery should be sufficient to persuade private shareholders back into some of its operating companies. The biggest of them is Italsider, which in 1980 lost L747bn, and of whose capital Finsider holds 95 per cent.

During the period 1981 to 1985, investments of L408bn are scheduled at the group's most modern works at Taranto in the south, while over L500bn is earmarked for overhauling the Cornigliano plant near Genoa.

## Swiss insurer expects rise in earnings

By John Wicks in Zurich

HIGHER earnings are expected this year by Winterthur, the Swiss insurance company.

Dr Peter Späth, the general manager, said there should be a slight decrease in underwriting losses for 1981. At the same time a modest rise in investment income was also expected.

Last year Winterthur managed a 3.3 per cent improvement in net profits to Swfr 62.4m (\$32.8m) despite heavier underwriting losses, which at Swfr 72.5m (\$41.5m) were Swfr 12.5m up on 1979. Swiss life and accident claims had been lower in direct business and reinsurance this year, though inflation had increased costs, particularly in Switzerland. Investment income was benefiting from higher interest rates but the company was also having to absorb capital losses.

Winterthur expects consolidated premium income to exceed Swfr 3.75bn this year. Partly as a result of currency swings, direct insurance premiums will rise less rapidly than last year, while a "normal" growth rate is forecast for reinsurance premiums. Winterthur recently acquired control of the UK insurer Provident Life Association of London.

## Alitalia faces substantial loss at operating level

By James Suxton in Rome

DESPITE bad times for the airline industry in general and severe budget problems in the first half of this year, Alitalia, the Italian state airline, expected roughly to break even for 1981. Sig Umberto Nordin, the airline's chairman, said at the IATA meeting in Cannes.

But the airline will only break even in a technical sense, by means of balance sheet adjustments. The operating account is expected to close heavily in loss. The balance sheet, however, should close within 1.1bn (\$800,000) either side of break-even point, making a better result than last year's loss of L12.5bn and the 1979 loss of L14.5bn, according to Sig Nordin.

Sig Nordin came out strongly against proposals for a less restricted civil aviation regime and attacked what he called "wild" tariff liberalisation policies. Alitalia's better results this year would partly be due to its refusal to indulge in them. Deregulation was falling and good sense was returning to the market.

His remarks bode ill for the initiative of Britain, while it holds the presidency of the EEC, to achieve the liberalisation of the European air fares system, to increase competition and lower air fares on European routes.

For the first half of this year, Alitalia reported a 15.3 per cent rise in income from traffic, but labour costs rose 26.7 per cent and fuel costs 21.7 per cent, while the number of tonne kilometres operated fell 8.8 per cent.

SKR 45.3m deficit turned in during the corresponding 1980 period. Extraordinary income of SKR 74m arising from sales of assets, including power generating interests, reduced the pre-tax loss to SKR 112.8m from SKR 40.5m loss.

Standard, which relies heavily on Telefunken orders, lost Pts 1.6bn last year primarily as a result of a slowdown in Telefunken work.

Earlier this month Mr Rand Araskog, president of ITT, held talks with both the Industry Minister, Sr Ignacio Bayon, and the head of Telefunken.

Sr Sanchez Teran expects this year's profits to be up on last year's Pts 23bn. Last March the Spanish government approved a 9.5 per cent increase in Telefunken's tariffs.

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## Ahold move on discount stores

By Charles Batchelor in Amsterdam

AHOLD, the Dutch food retailer, plans to reorganise its discount store division because of disappointing results.

According to an official of the main Dutch service industry union, the price-cutting policies introduced earlier this year by Ahold's chain of Albert Heijn supermarkets had cut into the traditional business.

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THE CHASE MANHATTAN BANK, N.A.

SEPTEMBER, 1981

### Notice of Redemption

## Kraftlagent Opplandskraft (Opplandskraft Power Consortium)

6% Guaranteed Sinking Fund Debentures due 1982

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Fiscal Agency Agreement dated as of June 1, 1967, under which the above described Debentures were issued, First National City Bank (now Citibank, N.A.) as Fiscal Agent has drawn, for redemption on December 1, 1981, through the operation of the Sinking Fund provided for in the said Fiscal Agency Agreement, \$1,000,000 principal amount of Debentures of the said issue of the following distinctive numbers:

| COUPON DEBENTURES OF \$1,000 PRINCIPAL AMOUNT OUTSTANDING |   |
|---|---|
| 11  | 181 1929 3032 4022 4542 5022 5818 6025 6874 7839 8210 10367 10995 11075 12162 12439 |
| 2   | 182 1930 3033 4023 4543 5023 5819 6026 6875 7840 8211 10368 10996 11076 12163 12440 |
| 3   | 183 1931 3034 4024 4544 5024 5820 6027 6876 7841 8212 10369 10997 11077 12164 12441 |
| 4   | 184 1932 3035 4025 4545 5025 5821 6028 6877 7842 8213 10370 10998 11078 12165 12442 |
| 5   | 185 1933 3036 4026 4546 5026 5822 6029 6878 7843 8214 10371 10999 11079 12166 12443 |
| 6   | 186 1934 3037 4027 4547 5027 5823 6030 6879 7844 8215 10372 11000 11080 12167 12444 |
| 7   | 187 1935 3038 4028 4548 5028 5824 6031 6880 7845 8216 10373 11001 11081 12168 12445 |
| 8   | 188 1936 3039 4029 4549 5029 5825 6032 6881 7846 8217 10374 11002 11082 12169 12446 |
| 9   | 189 1937 3040 4030 4550 5030 5826 6033 6882 7847 8218 10375 11003 11083 12170 12447 |
| 10  | 190 1938 3041 4031 4551 5031 5827 6034 6883 7848 8219 10376 11004 11084 12171 12448 |
| 11  | 191 1939 3042 4032 4552 5032 5828 6035 6884 7849 8220 10377 11005 11085 12172 12449 |
| 12  | 192 1940 3043 4033 4553 5033 5829 6036 6885 7850 8221 10378 11006 11086 12173 12450 |
| 13  | 193 1941 3044 4034 4554 5034 5830 6037 6886 7851 8222 10379 11007 11087 12174 12451 |
| 14  | 194 1942 3045 4035 4555 5035 5831 6038 6887 7852 8223 10380 11008 11088 12175 12452 |
| 15  | 195 1943 3046 4036 4556 5036 5832 6039 6888 7853 8224 10381 11009 11089 12176 12453 |
| 16  | 196 1944 3047 4037 4557 5037 5833 6040 6889 7854 8225 10382 11010 11090 12177 12454 |
| 17  | 197 1945 3048 4038 4558 5038 5834 6041 6890 7855 8226 10383 11011 11091 12178 12455 |
| 18  | 198 1946 3049 4039 4559 5039 5835 6042 6891 7856 8227 10384 11012 11092 12179 12456 |
| 19  | 199 1947 3050 4040 4560 5040 5836 6043 6892 7857 8228 10385 11013 11093 12180 12457 |
| 20  | 200 1948 3051 4041 4561 5041 5837 6044 6893 7858 8229 10386 11014 11094 12181 12458 |
| 21  | 201 1949 3052 4042 4562 5042 5838 6045 6894 7859 8230 10387 11015 11095 12182 12459 |
| 22  | 202 1950 3053 4043 4563 5043 5839 6046 6895 7860 8231 10388 11016 11096 12183 12460 |
| 23  | 203 1951 3054 4044 4564 5044 5840 6047 6896 7861 8232 10389 11017 11097 12184 12461 |
| 24  | 204 1952 3055 4045 4565 5045 5841 6048 6897 7862 8233 10390 11018 11098 12185 12462 |
| 25  | 205 1953 3056 4046 4566 5046 5842 6049 6898 7863 8234 10391 11019 11099 12186 12463 |
| 26  | 206 1954 3057 4047 4567 5047 5843 6050 6899 7864 8235 10392 11020 11100 12187 12464 |
| 27  | 207 1955 3058 4048 4568 5048 5844 6051 6900 7865 8236 10393 11021 11101 12188 12465 |
| 28  | 208 1956 3059 4049 4569 5049 5845 6052 6901 7866 8237 10394 11022 11102 12189 12466 |
| 29  | 209 1957 3060 4050 4570 5050 5846 6053 6902 7867 8238 10395 11023 11103 12190 12467 |
| 30  | 210 1958 3061 4051 4571 5051 5847 6054 6903 7868 8239 10396 11024 11104 12191 12468 |
| 31  | 211 1959 3062 4052 4572 5052 5848 6055 6904 7869 8240 10397 11025 11105 12192 12469 |
| 32  | 212 1960 3063 4053 4573 5053 5849 6056 6905 7870 8241 10398 11026 11106 12193 12470 |
| 33  | 213 1961 3064 4054 4574 5054 5850 6057 6906 7871 8242 10399 11027 11107 12194 12471 |
| 34  | 214 1962 3065 4055 4575 5055 5851 6058 6907 7872 8243 10400 11028 11108 12195 12472 |
| 35  | 215 1963 3066 4056 4576 5056 5852 6059 6908 7873 8244 10401 11029 11109 12196 12473 |
| 36  | 216 1964 3067 4057 4577 5057 5853 6060 6909 7874 8245 10402 11030 11110 12197 12474 |
| 37  | 217 1965 3068 4058 4578 5058 5854 6061 6910 7875 8246 10403 11031 11111 12198 12475 |
| 38  | 218 1966 3069 4059 4579 5059 5855 6062 6911 7876 8247 10404 11032 11112 12199 12476 |
| 39  | 219 1967 3070 4060 4580 5060 5856 6063 6912 7877 8248 10405 11033 11113 12200 12477 |
| 40  | 220 1968 3071 4061 4581 5061 5857 6064 6913 7878 8249 10406 11034 11114 12201 12478 |
| 41  | 221 1969 3072 4062 4582 5062 5858 6065 6914 7879 8250 10407 11035 11115 12202 12479 |
| 42  | 222 1970 3073 4063 4583 5063 5859 6066 6915 7880 8251 10408 11036 11116 12203 12480 |
| 43  | 223 1971 3074 4064 4584 5064 5860 6067 6916 7881 8252 10409 11037 11117 12204 12481 |
| 44  | 224 1972 3075 4065 4585 5065 5861 6068 6917 7882 8253 10410 11038 11118 12205 12482 |
| 45  | 225 1973 3076 4066 4586 5066 5862 6069 6918 7883 8254 10411 11039 11119 12206 12483 |
| 46  | 226 1974 3077 4067 4587 5067 5863 6070 6919 7884 8255 10412 11040 11120 12207 12484 |
| 47  | 227 1975 3078 4068 4588 5068 5864 6071 6920 7885 8256 10413 11041 11121 12208 12485 |
| 48  | 228 1976 3079 4069 4589 5069 5865 6072 6921 7886 8257 10414 11042 11122 12209 12486 |
| 49  | 229 1977 3080 4070 4590 5070 5866 6073 6922 7887 8258 10415 11043 11123 12210 12487 |
| 50  | 230 1978 3081 4071 4591 5071 5867 6074 6923 7888 8259 10416 11044 11124 12211 12488 |
| 51  | 231 1979 3082 4072 4592 5072 5868 6075 6924 7889 8260                               |

U.S. \$100,000,000

The Bank of Nova Scotia



Scotiabank

Floating Rate Debentures Due 1993

In accordance with the provisions of the Debentures, notice is hereby given that for the six month Interest Period from 29th October, 1981 to 29th April, 1982 the Debentures will carry an Interest Rate of 17 1/2% per annum and the Coupon Amount per U.S. \$5,000 will be U.S. \$431.30.

Credit Suisse First Boston Limited  
Agent Bank

Weekly net asset value



Tokyo Pacific Holdings (Seaboard) N.Y.

on January 1, 1980: U.S. \$48.39

on October 26th 1981: U.S. \$58.10

Listed on the Amsterdam Stock Exchange

Information: Pierson, Holding & Pierson N.V.,  
Herengracht 214, 1016 BS Amsterdam.

Companies and Markets

## INTL. COMPANIES &amp; FINANCE

## Further growth at OK Bazaars

By Jim Jones in Johannesburg

O.K. BAZAARS, South Africa's largest retail chain, set yet another turnover record in the half year ended September 30. The first-half turnover rose to R620.4m (\$648.87m) from R468.9m in the first half of last year, and compared with R1,062m in the year to March 31, 1971. Trading profit before interest and tax was R24.6m (\$5.36m) against R17.3m in the first half of last year, and R54.4m in the full year to end March 1981.

Management says that conventional trading operations and the hypermarkets contributed to the sales increase, which exceeded the national increase by 22 per cent. The cost of new stores opened in Durban, Ladysmith and Maseru were fully absorbed and the outlets are trading in line with expectations.

Despite the first half's turnover increase, management is worried that growth in consumer spending is levelling off.

## VTRs to boost Toshiba corporation in second half

BY YOKO SHIBATA IN TOKYO

TOSHIBA CORPORATION, Japan's second largest electric machinery manufacturer, lifted parent company sales by 14 per cent to ¥870.21bn (\$3.7bn) in the half year to September. Operating profits advanced by 12 per cent to ¥45.54bn (\$194m) but, after increased tax, net profits fell by 10 per cent to ¥21.07bn.

First-half earnings slipped from ¥9.35 to ¥9.32 per share and the interim dividend is reduced from ¥4 to ¥3. The company plans to lift the final payment, however, from ¥3 to ¥3.5.

First half results were boosted by the sale of nuclear power plant equipment with a total value of ¥100bn to Tokyo Electric Power and the buoyant demand overseas. Toshiba's sales in the heavy electric

apparatus division rose by 17 per cent to ¥352.1bn in the half to account for 41 per cent of the total.

With brisk demand for semi-conductors and office automation equipment (office computers, word processors and facsimile machines, etc.) sales of the communication electronics sector rose by 13 per cent to ¥229.47bn to account for 26 per cent of all sales. Buoyant video tape recorder (VTR) sales (up 135 per cent) boosted turnover of consumer electrical division by 8 per cent to account for 33 per cent.

Exports rose by 25 per cent to ¥209bn to contribute 24 per cent of turnover with overseas sales of heavy electrical apparatus and consumer products both advancing by 20 per cent. The company made foreign

exchange profits of ¥8bn in the half but spent ¥3.2bn on research and development of new products. It also cost the company ¥3bn to issue 200m new capital shares at market price last September.

Toshiba expects to boost sales in the current half year by stepping up production of semi-conductors and by lifting VTR production to 100,000 units a month from 60,000 units. Turnover of the electronics and communication equipment sectors are forecast to increase by 25 per cent and this should offset an anticipated fall of 10 per cent in sales of heavy apparatus.

Full year sales are projected to rise by 14 per cent to ¥1,770bn from ¥1,550bn and after tax profits are forecast to reach the ¥44.24bn of 1980-81.

## ITO-YOKADO BUCKS PROFIT TREND

## Japan's supermarkets lift sales

BY OUR TOKYO CORRESPONDENT

JAPAN'S FIVE major supermarket chain stores operators, other than Ito-Yokado continued a steady upward earnings trend in the first half year ended August 31. Ito-Yokado, standing top in profits among Japanese retailing companies, experienced a setback in operating profits for the first time since the April-September half year of 1974, largely because of the heavy interest payments on borrowings for the opening of 11 new shops in the previous year and the higher financial cost of overseas debenture issues.

On the grounds of expected earnings advances in the current half year, Dai-ichi intends to lifting its year-end dividend payment by ¥0.75, Seiyu by ¥1.00, and Nichii by ¥1.00, for the first time after their listings on the Tokyo Stock Exchange.

Apart from Ito-Yokado which reported 12.4 per cent growth in turnover, the other five store operators showed only single figure advances in sales, partly because of the cool weather in June and July. Sales growth mostly came from newly opened shops and sales at existing shops proved sluggish, rising by only 2 to 3 per cent.

Where operators could not lift turnover by opening new shops, improvements in their financial balances by the money market operations became the decisive factor in improving

earnings. Seiyu showed the largest advance in operating profits (up 49 per cent). It improved its financial revenue by ¥700m mainly because of interest received in foreign currency denominated deposits with higher yield.

Efforts to strengthen sales at existing stores, where sales rose by 4.5 per cent, also helped the company's sharp earnings recovery.

Dai-ichi improved its gross profit margin by 0.4 of a percentage point by further expanding sales of its own-brand products and by inventory adjustments. Because of the higher ratio of clothing in their merchandise, Jasco, Nichii and Uny were affected by the cool summer. However, improvements in their financial balances following a reduction

in interest rates helped earnings. Nichii also received higher earnings on an increased of ¥1bn in the sales of securities.

In the current half ending February 1982, the supermarket operators will be restricted from expansion by opening new shops under the Government's administrative policy of freezing new openings by the end of this year. The operators plan to improve gross profit margins by lifting sales of own-brand products, by rationalisation of unprofitable shops, and by renewing existing shops.

Ito-Yokado expects an earnings recovery in the second half with the positive effects of a lower interest burden. The six supermarket operators all expect record operating profits for the full fiscal year.

## SIX MONTHS TO AUGUST 31

|             | Sales | Change  | Operating | Change  | Net    | Change  |
|-------------|-------|---------|-----------|---------|--------|---------|
|             | Ybn   | on year | profit    | on year | profit | on year |
| Dai-ichi    | 593.3 | +9.5    | 9.0       | +10.3   | 4.4    | +2.3    |
| Ito-Yokado  | 369.7 | -12.4   | 9.6       | -1.7    | 5.3    | +3.2    |
| Seiyu Store | 298.2 | -9.8    | 3.8       | +4.9    | 1.8    | +28.6   |
| Jusco       | 285.3 | +9.8    | 6.3       | +8.6    | 3.6    | +5      |
| Nichii      | 236.5 | +6.8    | 6.5       | +16.1   | 3.4    | +9.7    |
| Uny         | 170.0 | +8.6    | 5.7       | +13.5   | 3.0    | +15.4   |

## Venture bank for Oman

BY MARY FRINGS IN BAHRAIN

THE FORMATION of a joint-venture bank in the Sultanate of Oman is announced by the Overseas Trust Bank, which is to report a 1980-81 profit of HK\$122m (U.S.\$20.6m) at its shareholders' meeting in Hong Kong on Saturday.

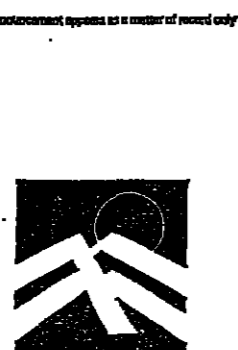
The identity of the local partners in the Overseas Trust Bank's venture will not be revealed until legal formalities have been completed, but it is hoped to open for business in Oman early next year.

OTB set up an offshore banking unit (OBU) in Bahrain in 1978, with Mr James Macdonald, formerly of Grindlays, as Gulf regional manager. In Bahrain, a new Kuwait-backed bank with an issued and paid-up capital of U.S.\$200m is now in the process of registering for incorporation as an Exempt Company. It is the Bahrain and Middle East Bank, which was granted an investment banking licence by the Bahrain Monetary Agency earlier this year.

## Energy funding for Israel

By L. Daniel in Tel Aviv

THE ISRAELI Ministry of Energy is establishing a new company which is to raise money on the Tel Aviv Stock Exchange to finance drilling for oil and gas. The funds are to be invested according to priorities to be established by the Israel National Oil Company. While details of the issue have still to be worked out, the National Oil Company expects that between \$6m and \$10m will be raised in the first instance.



Mitchell Energy &amp; Development Corp.

U.S. \$75,000,000

Credit Facility

Swiss Bank Corporation International Limited Manufacturers Hanover Limited

Amsterdam-Rotterdam Bank N.V. Banque de Paris et des Pays-Bas

Crédit Lyonnais National Westminster Bank Group

BHF-BANK International S.A.

Swiss Bank Corporation International Limited

August 1981

BANCO DE SANTIAGO

U.S. \$45,000,000

PRIVATE PLACEMENT OF NOTES

Arranged by

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July 1981

This announcement appears as a matter of record only.



Wedge Aviation, Inc.

a subsidiary of

Wedge International Holdings B.V.

US \$18,000,000

Secured Aircraft Loan

Coordinated by

Crédit Commercial de France • Banque Wedge (anciennement Hispano-Française)

Provided by

Algemeene Bank Nederland N.V. • Banque Wedge • Citibank, N.A.  
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Agent

Crédit Commercial de France



October 1981

ENTE NAZIONALE  
PER L'ENERGIA ELETTRICA  
(ENEL)

U.S. \$100,000,000

Floating Rate Debentures due 1987

Convertible at the holder's option into

9 1/2% Fixed Rate Debentures due 1995

Guaranteed by the Republic of Italy

In accordance with the provisions of the Debentures, notice is hereby given that for the six month interest period from 28th October, 1981 to 28th April, 1982, the Debentures will carry an interest rate of 17 1/2% per cent per annum, and that the interest payable on the Debentures will be U.S. \$431.30 per U.S. \$5,000.



The Sanitome Bank, London



Incorporated with limited liability in the United Kingdom

U.S. \$15,000,000

Floating Rate Serial Notes 1988  
Convertible into 16 1/2% Serial Bonds 1988

Notice is hereby given pursuant to the Terms and Conditions of the Notes for the six months from 30th October 1981 to 30th April 1982, the Notes will carry an interest rate of 17 1/2% per annum. On 30th April 1982 interest of U.S. \$431.30 will be due per U.S. \$5,000. Notes for U.S. \$15,000,000 are presented for conversion on or before 30th April 1982 will be U.S. \$11 per U.S. \$5,000 Note.

European Banking Company Limited

29th October, 1981

U.S. \$125,000,000



The First Canadian Bank

Bank of Montreal

FLOATING RATE DEBENTURES,  
SERIES 6, DUE 1991

(Subordinated to deposits and other liabilities)

For the six months

29th October, 1981 to 29th April, 1982

In accordance with the provisions of the Debentures, notice is hereby given that the rate of interest has been fixed at 17 1/2% per cent and that the interest payable on the relevant interest payment date, 29th April, 1982, against Coupon No. 1 will be U.S. \$431.30.

Morgan Guaranty Trust Company  
London

U.S. \$35,000,000

Floating Rate U.S. Dollar negotiable  
Certificates of Deposit, due 28th April, 1982  
The Tokai Bank, Ltd.

LONDON



In accordance with the provisions of the Certificates, notice is hereby given that for the six month interest period from 28th October 1981 to 28th April 1982 the Certificates will carry an interest rate of 17 1/2% per annum. The relevant interest payment date will be 28th April 1982.

Merrill Lynch International Bank Limited  
Agent Bank

U.S. \$20,000,000

Kay Capital N.V.  
Guaranteed Floating Rate Notes  
Due 1985

Kay Corporation

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the three month period (92 days) from 28th October, 1981 to 28th January, 1982 has been fixed at 17 1/2% per annum.

On 28th January, 1982, interest of U.S. \$431.30 per Note will be due against coupon No. 10.

J. Henry Schroder Wagg & Co. Limited  
Reference Agent

YONTOBEL EUROBOND INDICES

| PRICE INDEX       | 145.76=100% | AVERAGE YIELD | 20.04% |
|-------------------|-------------|---------------|--------|
| DM Bonds          | 20.10       | 27.10         | 27.10  |
| U.S. & Can. Bonds | 21.25       | 21.25         | 21.25  |
| U.S. & Can. Bonds | 22.76       | 22.76         | 22.76  |
| Can. Dollar Bonds | 22.76       | 22.76         | 22.76  |

Companies and Markets **INTL. COMPANIES & FINANCE****German bankers chip in to avert risk of unbridled competition**

A SMALL brown spot on a credit card-size piece of plastic promises to be a critical element in a debate now underway in the German banking industry about what reforms are needed in the way customers pay their bills.

The spot, no bigger than a finger nail, is an "intelligent chip." To the banker it presents the opportunity of putting plastic money into the hands of his customer, for the chip's memory can be "loaded" with credit. When the user wants to buy something in a shop, the card is entered into a machine costing only a few hundred dollars, and the cost of the purchases is then deducted from the credit line stored on the chip. The customer can then keep on shopping until the credit line inscribed on the chip is exhausted. At that point the customer returns the card to the issuing bank to have the chip reloaded.

As one banker asked last week: "Why do we need a credit card in Germany when this new technology is ready to be exploited? Why go back to technology which is 25 years out of date, which requires shopkeepers to scribble out slips of paper which then have to be processed centrally?"

The issue of how Germans will pay their bills in future has come to the fore since an announcement at the end of August by the three major banking organisations whose member-institutions deal with the general public—the savings banks, private banks and co-operative banks. They agreed to set up a new joint organisation, the Common Payments System Company, which would look into the future development in the German banking industry of the ubiquitous Eurocheque guarantee card, the Eurocard and other consumer payment systems such as travellers cheques, automatic teller machines and point of sale (POS) terminals.

Some bankers described this development as a "turning point" for the German banking industry. The hope of many of those who put the agreement together was that it would soon give rise to a new German plastic card to compete with the international bank payment cards such as Visa and MasterCard. Indeed, the big push which Visa is now making in Germany is one reason why the new initiative has got off the ground.

Credit cards are little used

**Few West Germans use credit cards. Stewart Fleming in Frankfurt explains why**

In Germany, only 180,000 of the banks' own "credit card," Eurocard, have been issued. Instead, most non-cash consumer payments are made with personal cheques backed up by the Eurocheque guarantee card, which generally has an overdraft line tied to it. Since almost every German household has a bank account, through

bank profits, which is causing executives to look around desperately for ways of cutting costs. In deciding whether and how to integrate the new technology into the present set-up, the banks have to ask themselves whether new payments systems will cut costs or simply add an expensive new whistle to a

If so, this would throw a competitive advantage in the direction of the private banks, which have only slightly more than 6,000 branches compared with the 17,000 or more of the savings banks.

Bankers burdened with such doubts fear that hasty development of a credit card to supplement the Eurocard (which is essentially a travel and entertainment card like the American Express or Diners Club cards) would be an over-reaction to the as yet modest inroads which Visa has already made or is likely to make through its link with BMW, the car manufacturer, and with Bank of America.

Such a move would also, it is argued, risk stimulating demand for a product which the average German customer does not want any more than the average German banker. Yet the bankers' greatest fear is that, as has happened in North America, non-banks will be able through credit cards to get into lucrative business of lending money to private customers—something which has not so far occurred in Germany.

One thing at least seems certain. The formation of the Common Payments System Company seems to have averted the danger that unbridled competition might break out among the German banks.

The long-established principle of co-operation, which led earlier to the joint development by the savings, private and co-operative banks of the Eurocard, and subsequently to industry wide agreements on point-of-sale terminals and automatic tellers, has been reaffirmed. There is therefore no risk that a large German bank will set off at such a hot pace in one direction that all the rest will be forced to follow or face losing market share.

Thus bank representatives in any particular region or city will now be sitting down together to decide, say, how many automatic tellers should be installed in the area and which bank, or banking association, should operate such machine in a particular location. Sadly for IBM and the other manufacturers of such equipment the banks will not each be buying themselves identical machines to install alongside one another at the same railway stations or shopping malls.

It is this perplexing mixture of self-regulated competition which the invader, Visa, is up against.



which the bank can monitor the customer's credit-worthiness, this system suits the banks down to the ground. It provides them with good security, ties the customer to his banker for most of his financial business and keeps paperwork to a minimum. Shopkeepers like it, too, as they do not have to pay fees to credit card companies and can accept customers' cheques in the knowledge that they will be honoured.

Technology is only one factor threatening to force changes in this cheque-based payments system. Yet customers can not only make payments electronically in shops but draw money from their bank accounts by using automatic rather than human tellers. This development coincides with an unprecedented slump in German

machine which already has too many costly bells on it. Moreover, as the associations representing the savings banks, private banks and co-operative banks sit down together in their new joint company to discuss the future of what passes for a friendly, purposeful atmosphere, all the partners will be watching one another like hungry crocodiles. The choice of banking technology for the consumer payments system of the future could greatly alter the competitive balance between the various types of bank.

Some savings banks, for example, are asking themselves whether the rapid development of a new plastic card might not sever the umbilical chord linking the customer to his bank account and to his bank branch.

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**Conclusion**

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October 29, 1981

**Consolidated-Bathurst Inc.**

(Incorporated under the laws of Canada)

**U.S.\$60,000,000**  
**17½% Series I Debentures due 1988**

Orion Royal Bank Limited

Banque de Paris et des Pays-Bas

Nesbitt, Thomson Limited

Union Bank of Switzerland (Securities) Limited

Dresdner Bank  
Aktiengesellschaft

Kreditbank International Group

Salomon Brothers International

S.G. Warburg & Co. Ltd.

The Series I Debentures, issued at 98½ per cent., have been admitted to the Official List by the Council of The Stock Exchange, subject only to the issue of the temporary global debenture. Interest is payable annually in arrears on November 15, the first payment being made on November 15, 1982.

Particulars of the Series I Debentures are available in the Extel Statistical Service and may be obtained during usual business hours up to and including November 11, 1981 from:

Orion Royal Bank Limited,  
1 London Wall,  
London EC2Y 5JX

and  
Laing & Cruickshank,  
The Stock Exchange,  
London EC2N 1HA

All these securities having been sold, this announcement appears as a matter of record only

 **BIOGEN N.V.**

(Incorporated in the Netherlands Antilles with limited liability)

Private Placement of

**522,000 Ordinary Shares**

**Issue Price U.S. \$40 per Ordinary Share**

**S. G. Warburg & Co. Ltd.**

Banque de Paris et des Pays-Bas

Warburg Paribas Becker Incorporated  
A. G. Becker Incorporated

**Morgan Grenfell & Co. Limited**

**Aeroportos do Rio de Janeiro S.A.**

ARSA

**US \$60,000,000**

Medium Term Loan

In support of a contract awarded to

**SELENIA S.p.A.**

Guaranteed by the

**Federative Republic of Brazil**

Lead managed by

**Morgan Grenfell & Co. Limited**

Banca del Gottardo

**Libra Bank Limited**

**Banco Nacional de Mexico S.A.**

— BANAMEX —

**The Taiyo Kobe Bank Limited**

Managed by

**Credito Italiano**

**Lavoro Bank Overseas N.V.**  
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**Morgan Guaranty Trust Company of New York**

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(BLADEX)

**Kuwait Pacific Finance Company Limited**

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Cayman Islands

**Banque Europeenne pour l'Amerique Latine**  
(B.E.A.L.) S.A.

**Yamaichi International (Nederland) N.V.**

Provided by

Tranche A

**Banco Latinoamericano de Exportaciones, S.A. (BLADEX)**  
**Morgan Grenfell & Co. Limited**  
**Banco Nacional S.A., Nassau Branch**

**Kuwait Pacific Finance Company Limited**  
**Banca del Gottardo**  
**Banque Europeenne pour l'Amerique Latine**  
(B.E.A.L.) S.A.

**Credito Italiano, New York**  
**Morgan Guaranty Trust Company of New York**  
**Daiwa Europe N.V.**  
**Banco Pastor S.A.**

**Lavoro Bank Overseas N.V. BNL Group**  
**Yamaichi International (Nederland) N.V.**  
**The Taiyo Kobe Bank Limited**  
**The Royal Bank of Canada International Limited (Nassau)**

Tranche B

Phase I

**Banco Mercantil de Sao Paulo S.A.**  
Cayman Islands  
**Banco Ambrosiano Overseas Limited Nassau**  
**The Bank of Kuwait and the Middle East K.S.C.**  
**Credit and Finance Corporation Ltd. (BCCI Group)**  
**Monte dei Paschi di Siena**  
**Philobank London**

**Banco Popular Espanol S.A.**

**Banco Pastor S.A.**  
**Bank Oppenheim Pierson International S.A.**  
**London Interstate Bank Limited**  
**National Bank of Abu Dhabi - London**  
**Trans-Arabian Investment Bank E.C. (TAIB),**  
Bahrain  
**Union Bank of India London Branch**

**UBAF Arab American Bank**

Phase II

**Libra Bank Limited**

**Banco Nacional de Mexico**

**Banca del Gottardo**

**—BANAMEX—**

**Morgan Grenfell & Co. Limited**

Co-ordinated by

**The Taiyo Kobe Bank Limited**

Agent Bank

**Morgan Grenfell & Co. Limited**

**Libra Bank Limited**



# Shake-up for South African maize trade

BY BERNARD SIMON IN JOHANNESBURG

**HARD-DRIVING** group of farmers, recently put in control of South Africa's maize industry, is throwing the country's maize export trade into an unprecedented state of flux.

The South Africa Maize Board announced two far-reaching changes in its export policies recently. Instead of committing itself to selling all imports (with the exception of the government-to-government deals) through the traditional

The winds of change are now gusting through the industry. NAMCO men are increasingly critical of the government officials, and are believed to be planning a complete restructuring of the board's

agricultural futures market to hedge export earnings. Only about 100,000 tonnes of maize has been graded since the mechanism was first used last year.

South Africa is the world's third largest maize exporter, and has a reputation as a reliable supplier of grain to the

administrative machinery. Press hand-outs on Maize Board policy are released not at the board's headquarters in Pretoria, but from NAMPO's offices in Bothaville, a small town in the Orange Free State.

Small buyers are mired, however. Despite assurances, the Maize Board steadily increased the contribution of 10% for Government deals with countries such as Taiwan, Zaire and Mozambique. The

Mr van der Merwe, who besides being a maize farmer deals in property, gold and diamonds, is anxious to increase the board's marketing flexibility thereby—

1980. Maize is the country's most valuable agricultural marketing activity, and he hopes—raising export earnings from maize.

A commission of recommended in the 1960s.

According to Mr Van Abe, South Africa's maize receipts would have been over R100m higher this year had the entire export crop been hedged on the Chicago market. The board's policy up to now has been that the price of maize should be no higher than half the cost of the grain.

The country's 5,000 white

## U.S. farmers planting massive acreage

WASHINGTON — U.S. farmers may plant almost as much winter wheat this year as last, but they expect a decline slightly. They pointed to good soil moisture conditions, relatively strong wheat prices and some dry areas in the North-West.

They did last year and producers in some areas may plant even more, the U.S. Agriculture Department crop analysts say. and forecasts of tighter wheat stocks next spring as reasons why this year's acreage could rival last year's record. Good moisture conditions encourage farmers to plant Red winter wheat to the central plains that

They claim Hard Red winter wheat plantings will be near average last year, while Soft red winter plantings may be below average. Agriculture Department weather analysts said moisture conditions had been excellent in the north, but dry in the south, normally be left fallow, said one USDA analyst. Reuter

## AMERICAN MARKETS

**Labour farm**  
**policy attacked**

## Labour farm policy attacked

COMMENTING on reports that the agriculture committee of the Labour Party national executive committee had recommended that the Government should deliverable stocks while attracting commission house short covering. Sugar related to limit up on tightness in white sugar supplies and Russian buying rumours. The livestock complex was mixed to lower with the pork

ended rejection of proposals for amendments to the agricultural holdings legislation, Sir Richard Butler, president of the National Farmers Union of England and Wales, said yesterday: "This is an extremely disappointing reaction to the Government's proposals."

one that is difficult to understand. The Labour Party formula to want to see the formula for fixing rents changed and to want to see the land available for letting, particularly to new entrants, they reject proposals.

|        |   |   |
|--------|---|---|
| Copper | Nov. 13.20 (79.55), Dec. 74.80 (79.55), Jan. 74.80 (79.55), Feb. 74.80 (79.55), Mar. 74.80 (79.55), Apr. 74.80 (79.55), May 74.80 (79.55), Jun. 74.80 (79.55), Jul. 74.80 (79.55), Aug. 74.80 (79.55), Sep. 74.80 (79.55), Oct. 74.80 (79.55), Nov. 74.80 (79.55), Dec. 74.80 (79.55) | Jan. 95.95-96.00, Aug. 96.10-96.15, Feb. 96.20-96.25, Mar. 96.30-96.35, Apr. 96.40-96.45, May 96.50-96.55, Jun. 96.60-96.65, Jul. 96.70-96.75, Aug. 96.80-96.85, Sep. 96.90-96.95, Oct. 97.00-97.05, Nov. 97.10-97.15, Dec. 97.20-97.25 |
| Gold   | Nov. 13.20 (79.55), Dec. 74.80 (79.55), Jan. 74.80 (79.55), Feb. 74.80 (79.55), Mar. 74.80 (79.55), Apr. 74.80 (79.55), May 74.80 (79.55), Jun. 74.80 (79.55), Jul. 74.80 (79.55), Aug. 74.80 (79.55), Sep. 74.80 (79.55), Oct. 74.80 (79.55), Nov. 74.80 (79.55), Dec. 74.80 (79.55) | Jan. 95.95-96.00, Aug. 96.10-96.15, Feb. 96.20-96.25, Mar. 96.30-96.35, Apr. 96.40-96.45, May 96.50-96.55, Jun. 96.60-96.65, Jul. 96.70-96.75, Aug. 96.80-96.85, Sep. 96.90-96.95, Oct. 97.00-97.05, Nov. 97.10-97.15, Dec. 97.20-97.25 |

**NEW ORLEANS**, Feb. 4-5-6-7-8-9-10-11-12-13-14-15-16-17-18-19-20-21-22-23-24-25-26-27-28-29-30-1906.

(Counts per cent. of U.S. No. 100.)

Jan. 25-26-27-28-29-30-1905.  
Feb. 1-2-3-4-5-6-7-8-9-10-11-12-13-14-15-16-17-18-19-20-21-22-23-24-25-26-27-28-29-30-1906.  
Mar. 1-2-3-4-5-6-7-8-9-10-11-12-13-14-15-16-17-18-19-20-21-22-23-24-25-26-27-28-29-30-1906.  
Apr. 1-2-3-4-5-6-7-8-9-10-11-12-13-14-15-16-17-18-19-20-21-22-23-24-25-26-27-28-29-30-1906.  
May 1-2-3-4-5-6-7-8-9-10-11-12-13-14-15-16-17-18-19-20-21-22-23-24-25-26-27-28-29-30-1906.  
June 1-2-3-4-5-6-7-8-9-10-11-12-13-14-15-16-17-18-19-20-21-22-23-24-25-26-27-28-29-30-1906.  
July 1-2-3-4-5-6-7-8-9-10-11-12-13-14-15-16-17-18-19-20-21-22-23-24-25-26-27-28-29-30-1906.  
Aug. 1-2-3-4-5-6-7-8-9-10-11-12-13-14-15-16-17-18-19-20-21-22-23-24-25-26-27-28-29-30-1906.  
Sept. 1-2-3-4-5-6-7-8-9-10-11-12-13-14-15-16-17-18-19-20-21-22-23-24-25-26-27-28-29-30-1906.  
Oct. 1-2-3-4-5-6-7-8-9-10-11-12-13-14-15-16-17-18-19-20-21-22-23-24-25-26-27-28-29-30-1906.  
Nov. 1-2-3-4-5-6-7-8-9-10-11-12-13-14-15-16-17-18-19-20-21-22-23-24-25-26-27-28-29-30-1906.  
Dec. 1-2-3-4-5-6-7-8-9-10-11-12-13-14-15-16-17-18-19-20-21-22-23-24-25-26-27-28-29-30-1906.

tion so well, it must promote necessary legislation.

The NFU will continue to press very strongly for legislation on these proposals, as soon as is possible in the present Parliament," he said.

July 44.1. C 10 456.7.

Postages (round whites) — Nov 65.8  
(52.5) Feb 70.0 March 75.5  
April 83.43.4. Sales: 374.

Silver — Nov 90.0 (911.1). Dec 808.0  
013.0 (522.0). Jan 1024.0, March 948.0  
95.0 Feb 1000.0 April 1000.0  
1021.0 Dec 1063.0 035.4 Jan 1088.0  
March 1092.0. May 1115.5, July 1130.9.  
Hardy and Harman bullet point point

WINNIPEG.

8Barley—Oct 120.30 (52.5)  
121.30 (50ma) March 129.0  
132.30 Jan 134.50.

5Wheat—Oct 34.75 12.5 per  
unit cent of St Lawrence  
254.34.

At present per pound ex-  
cess unless otherwise stated. \* 5  
ounce. 4 Cents per 100

**Anger at brutal Irish killing**

Financial Times Reporter  
INSERVATION GROUPS yesterday demanded an Irish Government inquiry into the killing of a young man.

Super... No. 11: Jan 12.00-12.10  
(11.17), March 12.80-12.85 (11.78),  
12.00 bushels 13.85, 12.00  
(22.00 lbs), 55¢can, per m  
May 12.50, July 12.80, Sept 13.22, Oct  
13.51, March 14.15.

**Monday's closing prices**

NEW YORK, Oct 27  
Coffee... C...  
137.25 (136.61), March 130.00-130.10  
Juice-Nov 115  
(117.00), Jan 118.95-119.00  
March 121.30, May 123.96-124.00

140 nursing grey seal mothers  
and their pups in County Mayo.  
The seals are a protected  
species and no licences have been  
issued for any culling, said Mr  
Jack Glover, of Greenpeace.  
The slaughter is reported to  
have taken place about 10 days  
ago.

On the Muller Peninsula, according to members of the Irish Wildlife Federation who visited the breeding site. It is thought that local fishermen sealed the seals.

The entire Irish population of basking sharks is believed to be

**EUROPEAN MARKETS**

**Mats—**(U.S. \$ per tonne): U.S. No. 3 Corn, Yellow, Oct 124.50; Nov 133.50; Dec 127; Jan/March 137, April/June 139.

**Soyabean—**(U.S. \$ per tonne): U.S. No. 2 Yellow, Gulfport, Oct 256; Nov 254; Dec 269; Jan, Feb, 267; March 275.50; April 280; May 265; June 288

**Hard Winter 13.5 per**  
**Dec 206, Jan 213, Feb 216**  
**77**  
**185, Dec 193, U.S. No Three**  
**Durum Nov 196.50, Dec 202,**  
**135 707, U.S. No Two**  
**Spring 144 cent, Oct 151, No**  
**Dec 168, Jan 160, Feb 213, No**  
**690/May 292.**

than 2,000 and the Mullet is one of the biggest breeder colonies.

Both Greenpeace and the IMF are demanded a full inquiry into the incident.

Mr Glover said: "Greenpeace Soyomals—(U.S. \$ per tonne): 44 per cent protein U.S. \$: Aloft 217.80, Oct 22/Nov. 50, 225, Dec 238.50, Jan 238.50, Jan-March 237, April/Sept 256, 235.50, May 237, April/Sept 258 April 254, Oct 244, Nov 245, Dec 248, Jan 256, Jan/March 260, Nov/March 256, April/Sept 264 sellers.

Cocoa—(Ffr per 100 Kilo): 1195-1986, March 1200-1214, 1200-1214, Sept 1200-1240, Dec 1200-1240, Jan 1200-1240, Sugar—(Ffr per tonne): 40 1820, March 1845-1850, May 1940-1950, July 1890-1920, Aug. 1940-1950, PARIS.

horrified by this senseless slaughter and welcomes the IMF bid being launched by IMF to save the hapful of living, motherless pups that remain on the beach.

Mr. Fergus O'Gorman, one of IMF members who visited

site. Said: "The seal  
thers and pups had been shot  
ripped apart in a very care-  
and destructive way."

Local conservationists in  
kney have already started  
r campaign of "passive re-  
which should be 1,000

| MOODY'S       |        |      |           |
|---------------|--------|------|-----------|
| Oct. 27, Oct. | 28, 29 | 30   | Month ago |
| 1000          | 906    | 1012 | 926       |

| REUTERS |         |          |          |
|---------|---------|----------|----------|
| Oct. 28 | Oct. 27 | M'th ago | Year ago |
| 1655    | 1656    | 1670     | 1        |

(December 31, 1931=100) (Base: September 18, 1931)

|                      |        |        |         |
|----------------------|--------|--------|---------|
| Normandy Metal Trst. | 1.5791 | 1.4517 | +0.0029 |
| Normandy Corn. Trst. | 1.3925 | 1.4677 | +0.0009 |

For Clivc Investments (Jersey)  
See Invicta Investment Management.

Cornhill Ins. (Guernsey) Ltd.  
P.O. Box 157, St. Peter Port, Guernsey  
Intnl. Man. Ft. .... 1219.5    239.0 ..... -

Cortiza International  
10a, Gsch-ward Royal, Luxembourg.  
Cortiza Introv. .... 10399.54    +10.72 -

Craigmount Fixed Int. Mngers. (Jersey)  
P.O. Box 195, St. Helier, Jersey.    0534.275  
Gift Fund (Joy.) .... 86.0    85.1 -1.1 15

Valued weekly Wednesday.

DWS Deutsche Ges. F. Wertpapier

|  |        |      |           |
|--|--------|------|-----------|
| P.O. Box 3012, Nassau, Bahamas                       |        |      |           |
| Del. Inv. #121                                       | \$64   | 3/5  |           |
| Del. Inv. #122                                       | \$64   | 3/5  | 0.025     |
| Del. Inv. #123                                       | \$64   | 3/5  | 0.025     |
| Deutscher Investment-Tour                            |        |      |           |
| Postfach 25258 Bismarckstr. 6-10 6000 Frankfurt      |        |      |           |
| Germany  | 190618 | 0.25 | 0.175     |
| Dreyfus Intercontinental Inv. Fd.                    |        |      |           |
| P.O. Box 13712, Nassau, Bahamas                      |        |      |           |
| N.A.S. #121  | \$64   | 3/5  |           |
| Duncan Lawrie Invest. Mgt. (Jersey)                  |        |      |           |
| 15-17, New St., St. Helier, Jersey                   |        |      | 0534 734  |
| D. Starling  | 19145  | 7/4  | 2         |
| D. Starling  | 19145  | 7/4  | 2         |
| Emerson & Dailey Trust Mgt. Jry. Ltd.                |        |      |           |
| P.O. Box 73, St. Helier, Jersey                      |        |      | 0534 734  |
| Emerson & Dailey Trust Mgt. Jry. Ltd.                |        |      | 144.3     |
| The English Association                              |        |      |           |
| 4 Fane Park, EC2                                     |        |      | 01-268 70 |
| E. A. Inman Fd. #1                                   | 69.0   | 1/4  | 7         |
| E. A. Inman Fd. #2                                   | 121.7  | 1/4  | 7         |
| E. A. Inman Fd. #3                                   | 121.7  | 1/4  | 7         |
| Wantage Inc. Fd. #1                                  | 69.0   | 1/4  | 7         |
| Wantage Inc. Fd. #2                                  | 121.7  | 1/4  | 7         |
| Wantage Inc. Fd. #3                                  | 121.7  | 1/4  | 7         |
| Heart Holding Co. Ltd. - Next Holding New York, N.Y. |        |      |           |
| Earbrow Holdings N.V.                                |        |      |           |
| Postbus 100, 2000 AA, Rotterdam, The Netherlands     |        |      |           |
| London Agents: Intel 15 Christopher St., EC2         |        |      |           |
| Del. Inv. #177 1040                                  | 121.7  | 1/4  | 7         |
| Earbrow Holdings N.V.                                | 121.7  | 1/4  | 7         |

|                       |           |      |
|-----------------------|-----------|------|
| American Assets       | US\$36.70 | 1.1  |
| Am. Vols. Com. Pl. 53 | \$12.50   | 3.9  |
| American Vols. Com.*  | \$9.59    | —    |
| Dollar Savings Trust  | US\$85.66 | 16.6 |
| Dom. Fund             | US\$39.71 | —    |

Guinness Malted Fd. Mors. (Guinnessy)

[illegible]

Prices on Oct. 21. Most dealing Nov. 4.

**Other/Blenfold Commodities**  
145, Gresham Street, EC2V 7JH. 01-600-4177  
Commodity Fund Int. Oct. 1. NAV US\$1444.40.  
Most dealing date Nov. 2.

**MC Investment Managers Limited**  
Box 246, St. Peter Port, Guernsey. 0481-23021.

\*Inclusive of Preliminary charge. †Weekly Coalings.

[illegible]

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Continued on previous page





